



UMVOTI MUNICIPALITY

UMVOTI FINAL 2017/2018 ANNUAL REPORT

MARCH 2019

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

FOREWORD BY THE MAYOR



Since taking up office in early 2015, the office has been presented with its own set of unique challenges which were specific to that period and were on a large scale subordinate on the, social, economic and political circumstances of the period in question. My final full year in office has not proved any different, however it has thrown at us as a collective both opportunities and challenges that I have had a privilege of addressing during the year under review.

The 2016/2017 financial year would seem therefore to have been an exciting yet challenging period all the same time, exciting in that for the first time in the history of the Province, I was accorded a daunting responsibility and task of presiding over a political landscape that comprised of an executive which had a politically diverse constitution from Mayor, Speaker and Deputy Mayor. A scenario which would have otherwise rendered the municipality dysfunctional however through collective leadership saw us pioneer a system of operational leadership that demonstrated that when the priority of any institution and leadership is the people it leads, the impossible can be achieved and we therefore pride ourselves in the ability of having successfully navigated the tides of political differences to the prioritization of our core objective responsibility of being a people centred government. It would not be true to say that we had always seen eye to eye on certain matters of governance, through decisive leadership we were able to rise above our political differences and approached issues of citizenry importance in a committed, constructive and dedicated manner for the betterment of the residents of Umvoti

Major developmental strides have been attained thus far at Umvoti, however we must hasten to point out that it remains an undeniable reality that the developmental needs of the community of Umvoti which in the main are resultant from the historical patterns of inequality and underdevelopment as well as the historical legacy of neglect will for a time outweigh the financial resources available to address the scourge of such underdevelopment. This reality is therefore a sober reminder that indeed ‘development is not an event but a process’ which requires an innovative and multiple mobilization of

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financial resources and effective leadership, over a period of time.

It is against this backdrop that for the first time in the history of Umvoti Municipality during the 2015/2016 budget adjustment process I advocated for and championed an initiative which was to specifically focus on enhancing local economic development as well as prioritize local labor promotion through the revision of a supply management policy framework to cater for and include a legislative clause that promotes and prioritizes local labor and business. This initiative is aimed at ensuring that through targeted fiscal focus and prioritization the program will see an upsurge in a multiplicity of jobs being created through our cooperatives program which is set to expand during the upcoming financial periods. The municipality has also injected a substantial amount of fiscal funding to address the infrastructural needs of our communities.

The following is a summary of the major service delivery initiatives which were prioritized, planned and executed for the period under review

Infrastructure Provision: Electricity	R8 020 610
Infrastructure Provision : Roads	R15 588 994
Infrastructure Provision : Community Facilities	R 10 352 853
Infrastructure Provision : Electricity High Mast	R53 49424. 73

We are also pleased to report that 2015/2016 also saw an enhanced and extensive public participation with our communities, a process championed by my office which was aimed at fostering community relations with the public at large but of greater significance serving as a platform of ensuring the involvement of the community in matters of municipal governance as opposed to a box ticking exercise for mere purposes of legislative compliance. These public engagements were undertaken across the various communities of Umvoti, in all 11 wards through the budget and IDP consultative process which later gave birth to subsequent engagements through the Siyaphendula Campaign, a program which was targeted at the rapid response to matters of immediate priority as raised by the community during the initial public participation processes. The intended objective of these engagements was not for the immediate servicing of the legislative compliance requirements but were to serve a futuristic objective of serving as a platform and bedrock to ensure that the communities have a clarified understanding of complex matters of community development amidst the limited resources available as well as the efforts of the Government in the mobilization of resources to address these diverse and complex

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needs. We can confidently assert that a solid foundation has indeed been laid for more productive engagements with our communities on matters of governance in the future.

We also pride ourselves in the great strides that we have amassed of managing to maintain an unqualified audit opinion for the 3rd consecutive year ,a report which serves as a yard stick of measuring the financial health of an institution, we however are equally mindful of the requisite and critical task of striking a healthy balance between attaining clean governance that is accompanied by a clean bill of financial affairs and striving with intense agility to equally address the chronic underdevelopment in our communities, of particular importance the rural communities.

In conclusion therefore I would like to point out that this draft annual Report is a culmination of the implementation of the Council's adopted Integrated Development Plan (IDP), Budget and Service Delivery and Budget Implementation Plan for the 2015/2016 financial year. In essence, the report is an account of the Umvoti Municipality's achievements in the year under review, and as with any rigorous instrument it also assists in identifying our successes and failures. This report is therefore intended to attest to the collective efforts of the administrative and political arms of the Municipality to progressively address the expectations of our people

Finally, I would like to take this opportunity of applauding all our role-players which includes the outgoing councilors, staff and various role-players within and outside the Council who have throughout a period of upheaval and change remained resolutely dedicated to the task of serving the residents of Umvoti, I will forever be indebted to the people of Umvoti for affording me the privilege of holding this role. We commit bending our shoulders so as to effectively carry the load of creating a better life for all the Umvoti residents.

T 1.0.1

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

The local government sphere in South Africa elected its fourth generation of local government councillors on 03rd August 2016 who must work to improve the lives of all the citizens in their respective municipalities and serve as a link between the public and the Council. Umvoti Municipality was part of this process and which also saw the redetermination of municipal boundaries which resulted to an increase in the number of municipal wards from eleven (11) to fourteen (14) as well as an increase in the number of Councillors from twenty two (22) to twenty seven (27). The end of the financial year on 30th June 2016 marked eleven (11) months since these councillors were elected, but practically ten (10) months since they took office as Umvoti Municipal Council was inaugurated on 26th August 2016. The election of these local government community representatives came at a time when South Africa's economy expanded by 0.3% in 2016, compared with 1.3% in the previous year 2015 which have a negative financial impact in the country's economy.

Section 121 of the Municipal Finance Management Act (MFMA) read together with Section 46 of the Municipal Systems Act 32 of 2000 regulates the manner in which the Accounting Officer should prepare both the Annual Report and the Annual Performance Report. The municipality has been given powers and functions in terms of section 156 of the Constitution of the Republic of South Africa Act 108 of 1996, and has the right to administer the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5.

The municipality has been conducting its through an integrated approach by setting its targets in line with the Key Performance Areas as outlined in the Integrated Development Plan as well as Back to Basics as follows:

- ✚ Basic Service Delivery and Infrastructure.
- ✚ Local Economic Development
- ✚ Financial Viability and Management
- ✚ Institutional Development and Transformation
- ✚ Good Governance and Public Participation
- ✚ Cross cutting interventions

The municipality also committed itself to respond to Back to Basics Strategy as launched by the President in 2014, and has been reporting on the five pillars of as follows:

- ✚ Putting People first,
- ✚ Delivery of Basic Service,
- ✚ Sound Financial Management,
- ✚ Good Governance,
- ✚ Building Institutional Capacity

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The Department of Cooperative and Traditional Affairs conducted an assessment on the municipality's Back to Basics and was found to be challenged. There is a work in progress by the administration to ensure that the municipality move from the category of challenged municipalities to those who are doing well.

The introduction of new wards made it compulsory for the municipality to embark on the process of doing an audit on those new wards while also ensuring the old wards are catered for. Therefore the municipality successfully engaged stakeholders in all wards for inclusion in the IDP and implemented Community Based Planning (CBP) in all wards and with the limited budget, attempts were made to cater for those basic needs as identified by communities although they cannot be addressed all at once.

The municipality through Municipal Infrastructure Grant (MIG) tried to improve the lives of its citizens by implementing certain projects in various areas municipal wards as follows:

- ✚ Graveling of Roads in Ward 3 at Mahulula, Ngqayizivele and Bhakabhaka.
- ✚ Installation of High Mast Street lighting at Matimatolo in Ward 2.
- ✚ Construction of Esitikitikini Community Hall.
- ✚ Construction of Magwegwe Community Hall.
- ✚ Construction of Mthiyaqwa Creche.
- ✚ Upgrading of Nseleni Road to Blacktop Asphalt.
- ✚ Graveling of Nsundu Road.
- ✚ Construction of Elangeni Creche, and
- ✚ Construction and completion of Emahluzibani Creche.

The municipality is also implementing electrical projects in various wards with a view to achieve universal access to electricity. The municipality is currently providing electricity to 71.11% of its households and hope that this will improve in the next financial year.

Local Economic Development is one of the key performance areas in the municipality's strategic objectives and we would like to commend the municipal leadership for being proactive and encouraged the municipality's administration to include 20%-25% of subcontracting for the local service providers in the supply chain management policy before it was pronounced in the State of the Nation Address and amendment to the Preferential Procurement Regulations which became effect on 01st April 2017.

The Auditor General's opinion for 2015/2016 was that the municipality got the unqualified with matters of emphasis which includes the following:

- ✚ Material underspending in the small town rehabilitation grant by R5, 27 million which resulted to not achieving some of the planned targets.
- ✚ Material electricity losses of 8, 45 million (2015: 7, 57 million) kilowatts amounting to R7, 31 million (2015: R5, 10 million) were incurred as a result of technical and non-technical distribution losses.

The municipality maintained its good performance on providing effective leadership as there was no significant deficiency identified by the Office of the Auditor General. There was also an improvement governance as internal audit have assisted in identifying

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internal control deficiencies and made recommendations for corrective actions. The audit committee has also played its part in promoting accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment including financial and performance reporting and compliance with laws and regulations.

The vacancies at key management positions which are senior management level remains a concern as five out of six managers posts including that of the accounting officer are vacant. Umvoti Municipality received an unqualified audit opinion with matters of emphasis in the 2015/2016 financial year.

The Minister of Finance promulgated Government Gazette No. 37577 dated 22 April 2014: Municipal Regulation on Standard Chart of Accounts. This reform is to provide a National Standard for uniform recoding and classification of Municipal Budget and financial information at a transactional level this will improve compliance with budget regulations and compliance with budget regulations and accounting standard and better inform National Policy co-ordination and reporting, benchmarking and performance measurement. The Municipality has formed a Municipal Standard Charts of Accounts (mSCOA) Project Steering Committee to ensure that the municipality complies with the regulations and ensure that it is implemented by the 1 July 2017. A lot of progress has been made by the municipality to ensure that we are fully compliant and ready to implement mSCOA.

The year under review was, however, not without challenges especially because it was characterized by the problem of water shortages which affected both businesses and residents. We would like to express our heartfelt gratitude to all the community of Umvoti for being patient with us during these difficult times and also want to ensure them that we are working around the clock and in the process of trying various intervention to have this matter addressed.

In conclusion I would like to state that we assumed office in September 2016 to steer the ship just few days after the new council was inaugurated and it can be confirmed that this task has been a very challenging one, but the support that we received from His Worship the Mayor, Speaker, EXCO, Council and the entire administration did not go unnoticed and it was encouraging that they were part of us even during difficult times. As Management we would also like to take this opportunity to thank to thank the Internal Audit, Audit Committee, Municipal Public Accounts Committee and all other external partners such as KZN CoGTA, Provincial Treasury, KZN Department of Human Settlements, the Office of the Auditor-General and other key stakeholders for their continued dedication and support 2015/2016 financial year.

Ngiyabonga!!!

T 1.1.1

Chapter 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Umvoti is the one of 61 Municipalities in the Province of KwaZulu-Natal and forms part of the UMzinyathi District. It has a population of 122 424 (20.1%), according to the Community Survey 2016, compared to 103 092 in 2011. The growth rate of 1.11% per annum for the period between 2001 and 2011 was experienced.

The key demographic trends relating to Umvoti population are as follows:

- The growth rate of 1.11% per annum for the period between 2001 and 2011 has been observed
- The population is distributed unevenly between 14 wards within the Municipal area.
- The age profile shows a largely youthful population with approximately 75% of the population under the age of 34.

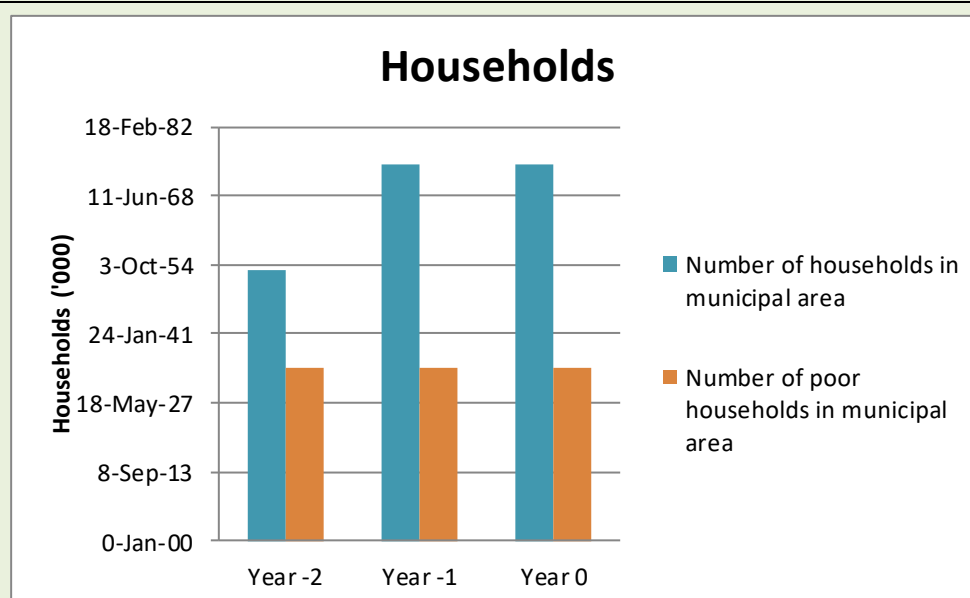
This is on the basis of the information provided by Stats SA for 2011 Census and 2016 Community Survey.

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Chapter 1

Population Details									
Age	Year -2			Year -1			Year 0		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	5561	5346	10907	6541	6683	13224	6541	6683	13224
Age: 5 - 9	6196	6292	12488	5377	5857	11234	5377	5857	11234
Age: 10 - 19	11310	12007	23317	12121	12260	24381	12121	12260	24381
Age: 20 - 29	5996	8147	14143	6431	7328	13759	6431	7328	13759
Age: 30 - 39	4344	6612	10956	4737	6835	11572	4737	6835	11572
Age: 40 - 49	3198	4833	8031	3457	5814	9271	3457	5814	9271
Age: 50 - 59	2089	3334	5423	2612	4383	6995	2612	4383	6995
Age: 60 - 69	1199	2447	3646	1678	3012	4690	1678	3012	4690
Age: 70+	855	2529	3384	898	2583	3481	898	2583	3481

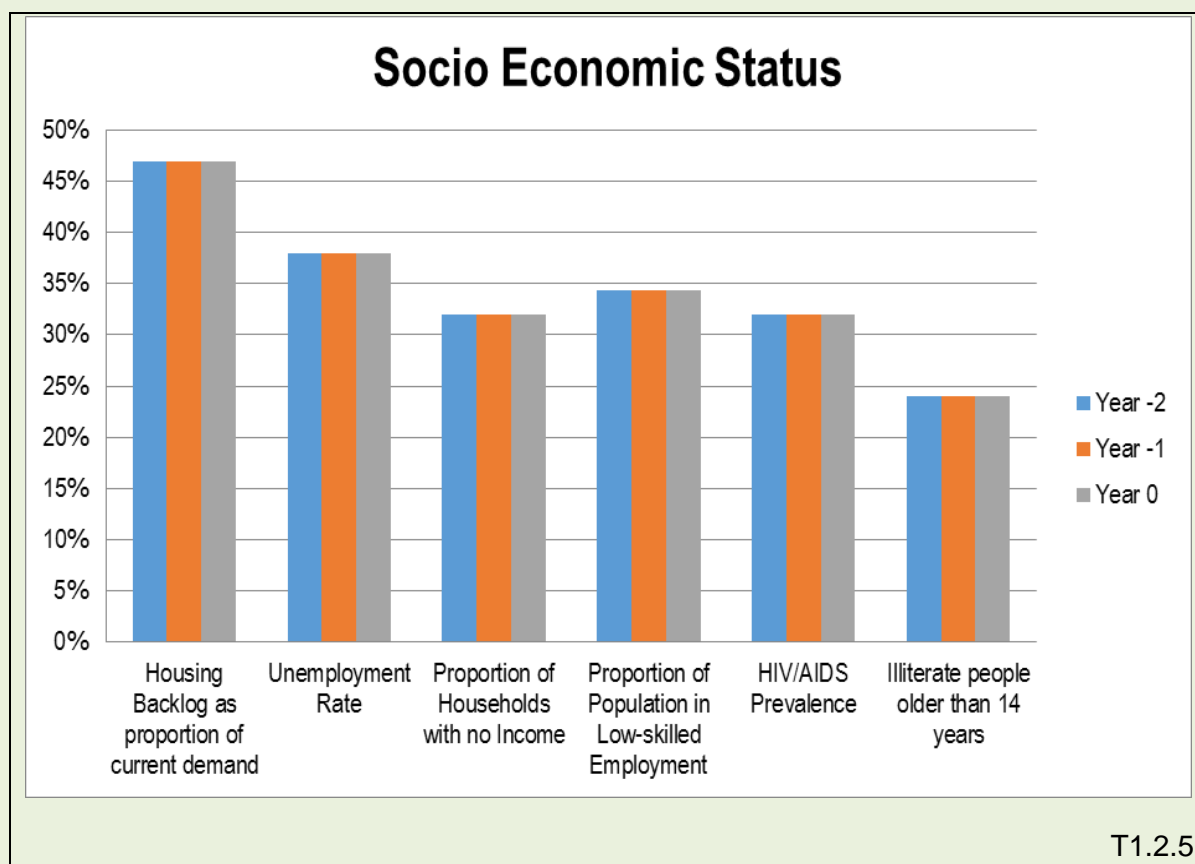
Source: Statistics SA
T 1.2.2



T1.2.3

Chapter 1

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year -2	47%	38%	32%	34%	32% for the whole of Umzinyathi District	24%
Year -1	47%	38%	32%	34%	32% for the whole of Umzinyathi District	24%
Year 0	47%	38%	32%	34%	32% for the whole of Umzinyathi District	24%
T 1.2.4						



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Settlement Type	Population
Towns	
Greytown	9990
Kranskop	50000
Sub-Total	59 990
Townships	
Enhlakahle Township	12000
Sub-Total	12000
Rural settlements	
Matimatolo	4834
Mntembisweni – Mbuba	2905
Makhabeleni	11697
Mbulwane	3801
Muden (Rural)	9523
Eshane	5130
Nseleni	1923
Sub-Total	39 813
Informal settlements	
Tent Town	411
Lindelani	436
Kranskop	350
Brickyard	33
Coloured Village	31
Sub-Total	1261
Total	113 064

T1.2.6

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Major Natural Resource	Relevance to Community
Lake Merthley	Water source and recreation facility
Umvoti Vlei	Tourism significance
Lilani Hotsprings	Community owned and tourism attraction
Ngome Community Game Reserve	Community owned and tourism attraction

T1.2.7

COMMENT ON BACKGROUND DATA:

Key challenges: ageing infrastructure, dispersed low density settlement patterns in traditional areas, weak road and communication linkages, and poor management of natural environment and high cost of infrastructure.

Opportunities: Rural Housing Projects to address issues of densification, upgrade of R33 road presents a major opportunity for tourism activities, a greening programme in urban and rural areas to provide shade, erosion protection, and beautification.

Development of Lake Merthley as a Tourism destination, Ngome Game Reserve and Lilani Hotsprings will benefit the communities with job opportunities, skills development and environmental management awareness. The Municipality has prepared a business plan for Lake Merthley Development; however the water levels of the Lake has drastically dropped due to drought. The National Department of Tourism committed R20 million for Lilani Hotsprings Phase 3; however the services of the Implementing Agent were terminated in 2016/2017 due to the non-adherence to the Project Plan. The National Department of Tourism appointed Trade and Investment KZN to manage the Lilane Hotsprings R17 million funds available to complete the project.

The Department of Economic Development and Tourism, Tourism KwaZulu-Natal and Ezemvelo KZN Wildlife has intervened in ensuring that the Ngome Game Reserve project is resuscitated.

T1.2.8

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1.3. SERVICE DELIVERY OVERVIEW

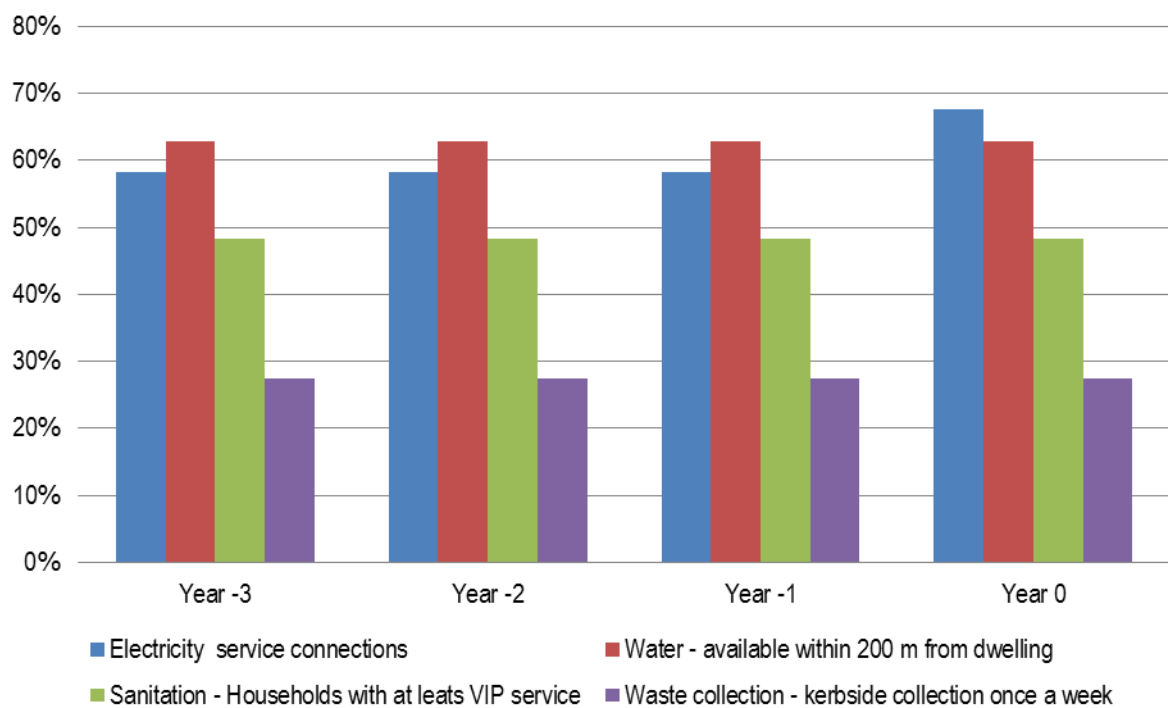
SERVICE DELIVERY INTRODUCTION

There is insufficient access to basic services within Umvoti, which can possibly be attributed to the scattered settlement patterns that create challenges around basic service delivery. The change in municipal boundaries has also attributed to the increased demand for services. The Municipality has managed to provide services to its residents within limited human and financial resources. The Municipality continued to supply electricity, refuse removal, roads, storm water management and cleansing services within urban and/or rural areas as the case may be.

The Municipality in terms of its indigent policy provides relief to its customers that qualify as per the required criteria, as determined by Council from time to time. Every year an advert is published calling for registration. Councillors embark on an awareness programme on an annual basis to educate members of the community and stress importance of registration.

T 1.3.1

Proportion of households with access to basic services



Chapter 1

T1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

The percentage of people with access to electricity has increased from 58.3% in the previous years to **71.11%** in the year under review. The increase is due to the number of new connections done by the municipality and ESKOM as well as in fills completed by ESKOM. The number of people with access to water has increased to 62.8% during the year under review as a result of new schemes implemented by UMzinyathi District Municipality in rural areas. Waste service delivery of the Umvoti Municipality is coordinated from Greytown. There is a clear lack of refuse removal services within the municipal area with 52.7% of households in Umvoti making use of their own refuse dump. Only 27.5% of refuse is removed regularly by the municipality. There is currently no waste removal service for rural areas.

T1.3.3

1.4. FINANCIAL HEALTH OVERVIEW

TOTAL OPERATING INCOME AND EXPENDITURE			
INCOME	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL
GRANTS	153,663,000	153,663,000	140,560,223
TAXES AND TARIFFS	121,682,559	121,682,559	112,038,983
OTHER	19,863,585	36,394,339	23,987,035
	295,209,144	311,739,898	276,586,241
EXPENDITURE	-255,657,000	-271,565,000	-274,305,126
SURPLUS	39,552,144	40,174,898	2,281,115

T1.4.2

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OPERATING RATIOS	%
EMPLOYEE COST	45
REPAIRS AND MAINTENANCE	4
FINANCE CHARGES AND DEPRECIATION	11

T1.4.3

COMMENT ON OPERATING RATIOS:

As the end of 30 June 2018 the actual year to date operating expenditure totalled an amount of R274 million when compared to the R263 million in the 2016/2017 financial year. The main operating expenditure categories comprises of categories such as Employee Related Costs, Councillor Remuneration, and Bulk Purchases with the Employee Related Costs recording the highest expenditure followed by the Bulk Expenditure and other expenditure. Substantial component of the Other Expenditure category is primarily the electrification programs implemented during the year under review

Employee Related Costs

The Employee related cost contributes an amount of R101 million as at 30 June 2018 against a previous R90 million during the 2016/2017 financial year. The employee related costs contribute an amount of 44% of the total operating budget, which is above the norm of 40%. The increase in the employee related costs can be attributed to the 2015/2016 placement process.

Repairs and Maintenance

The Repairs and Maintenance costs contributes an amount of R9, 4 million as at 30 June 2018 against a previous R9, 7 Million during the 2016/2017 financial year. The Repairs and Maintenance costs contribute a mere 3.1% of the total operating budget. Adequate Planning for infrastructure renewal continues to remain a challenge to date. This is because infrastructure renewal is only carried out on an ad hoc basis rather than routinely as informed by a comprehensive infrastructure renewal plan. It is common knowledge that we can maintain the existing infrastructure as well as fund our new infrastructure if our own revenue and credit control activities function effectively. Additional effort is required to undertake a coordinated effort in infrastructure renewal by timeous planning which will in turn facilitate allocation of adequate financial resources in this regard. The municipality also acknowledges the fact that the 3.1% is far below the norm of 8%, emanating from budget constraints and deteriorating cash reserves. The municipality has introduced a cash flow committee, established a Revenue Steering Committee and developed a

Chapter 1

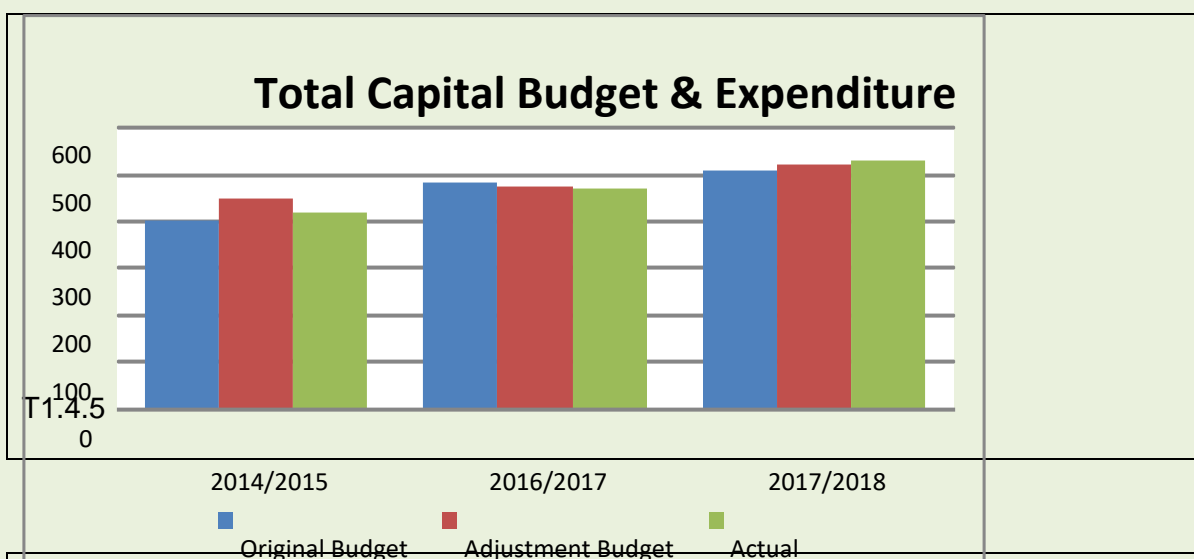
revenue enhancement strategy and implementation, this measures will assist the municipality to improve collection rate, reduction of costs thus improving our cash reserves and subsequently improve the budget allocation for repairs and maintenance. The service provider has been appointed to underrate asset conditional assessment which will inform asset renewal plan and the exercise is due to be finalised by end of April 2019.

Operating expenditure

The balance amounting to 53% of the operating expenditure is for expenditure such as bulk electricity purchases as well as expenditure for the day-to-day running of the institution, which includes expenditure such as contracted services and general expenses. As can be observed from the above a substantial amount of our expenditure is still not responding to the basic needs of the communities. Future expenditure prioritization has to address this shortcoming.

T1.4.3.

TOTAL CAPITAL BUDGET	
BUILDINGS	1,540,540
INFRASTRUCTURE	12,035,612
COMMUNITY ASSETS	30,269,000
OTHER PPE	5,319,848
	40,783,227
T1.4.4	



COMMENT ON CAPITAL EXPENDITURE:

As at the end of June 2018 the actual Capital Budget is reflected below as follows

Chapter 1

The Capital budget actuals for the 2017/2018 financial year amounts to R40, 783,227 across the various categories namely Building, Infrastructure, Community Assets and other PPE combined. A substantial portion of the capital revenue is funded primarily from Grants and subsidies particularly the Municipal Infrastructure grant and Small Town Rehabilitation Grants.

The municipality has fully expended all the conditional grants allocated in 2017/18, thus ensuring that no monies are transferred back to National Treasury. Due to budget constraints, the municipality is still contributing a minimal internal funding resources towards capital programmes..

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The South African local government sector must be developmental and it is important for the sustainable growth and development of the country. One of its major responsibilities is to ensure that all citizens have access to and receive the basic services they need. The way in which local municipalities are structured has an impact on how effectively they can deliver services to its communities.

Organization Development (OD) is about improving performance at the individual, group, and organization levels. It is about improving the organization's ability to effectively respond to changes in its external environment, and it's about increasing internal capabilities by ensuring the organizational structures, human resources systems, job designs, communication systems, and leadership/managerial processes fully harness human motivation and help people function to their full potential.

The Organizational Development is a key transformation agent dealing with the structure and workforce of the Municipality to ensure that it remains aligned to its service delivery requirements. The municipality went through a restructuring process with a view a decreasing a number of department and creating a new structure which resulted in organizational redesign with a new number of vacant posts, which were through the placement process.

One of the major challenges is that posts in the new structure have not been formally evaluated through job evaluation and employees on new posts have not been fully capacitated but they acquired knowledge through on the job training. To resolve the major challenge of job evaluation will be to appoint an experience suitable qualified service to evaluate all posts through TASK System as approved by SALGA.

As part of capacitating individuals who have been placed in newly created positions, it is important that we move our focus to improving their skills by ensuring that they have

Chapter 1

access to various training programmes as part of skills development in order to ensure that staff members can perform their duties effectively.

The municipality had a strategic planning session of which part of it was to review the organisational structure and come up with strategies for effective use of human resources within the organization. Although there are some internal challenges within the structure especially with grading of posts, but it was finally approved by council. The next step will be to consider the services of an organizational specialist to deal with the evaluation of posts to expedite the issues around uncertainties.

T1.5.1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 2015/2016

The Auditor General conducted the 2016/2017 Audit as per the requirements of Section 21(1) of the Public Audit Act of South Africa read in conjunction with Section 188 of the Constitution of the Republic of South Africa and Section 121 (3) of the Municipal Finance Management Act of South Africa.

We pride ourselves in the great strides that we have amassed of managing to maintain an unqualified audit opinion for the 4th consecutive year although there were matters of emphasis. This report serves as a yard stick of measuring the financial health of an institution and compliance with laws and regulations as provided.

We however are equally mindful of the requisite and critical task of striking a healthy balance between attaining clean governance that is accompanied by a clean bill of financial affairs and striving with intense agility to equally address the chronic underdevelopment in our communities, of particular importance the rural communities.

T 1.6.1

Chapter 1

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft 2017/2018 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	

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19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January
T1.7		

COMMENT ON THE ANNUAL REPORT PROCESS:

IMPORTANCE OF MEETING ANNUAL REPORT DEADLINES

The importance of achieving annual report deadlines will enable Umvoti Municipality to provide:

- Records or evidence of municipal activities during the year under review;
 - Report on municipal performance against the budget for the year under review;
- and
- Account to the local communities for the decisions made by the municipality during the year under review.

ALIGNMENT OF IDP/BUDGET / SDBIP

IDP forms the basis on which the annual budget is based and it must be compatible with the National and Provincial Government Development Plans. The SDBIP is directly translated from the adopted IDP and budget. The SDBIP is essentially the management and implementation tool of the IDP. Umvoti municipality has ensured that the IDP, Budget and SDBIP are integrated.

T1.7.2

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Good governance is built upon an effective interface between political office bearers, political structures, councillors and officials, the delegation of appropriate powers to achieve maximum operational and administrative efficiency and the amicable resolution of disputes between the respective role-players.

The Executive Committee and all section 79 and section 80 Committees were established to assist the Council in its oversight function. The Local Labour Forum was also established as per the prescripts of the bargaining Council agreements. This will ensure that Labour related issues are given attention and good relations are maintained between the employer and employees.

Section 79 of the Municipal Structures Act empowers the municipal council to establish committees necessary for the efficient and effective performance of any of its functions and exercise any of its powers. The council appoints members of such committees and may dissolve the committees at any time. These committees are established to assist the council and reports to the council. Examples of section 79 committees are the MPAC, Rules Committee and the like. The Council will appoint a chairperson from amongst the members of the council. Umvoti Municipal Council successfully appointed members of MPAC and have not yet appointed Rules and Ethics Committee members.

Section 80 Committees, on the other hand, are established by the municipal council to assist the Executive Committee. Such committees may not in number exceed the number of members of the Executive Committee. During the year under review, the municipality had the following functional committees:

- Community and Corporate Services Portfolio Committee
- Finance, Planning and Economic Services Portfolio Committee, and
- Technical Services Portfolio Committee.

These committees report directly to the executive committee. These committees are chaired by members of the executive committee.

T2.0.1

Chapter 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Umvoti Municipality is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Structures Act, 1998. The municipality functions under the Executive system, consisting of 5 members. The Mayor is elected from the Executive Committee. The Council consists of 27 councillors of which 3 are full-time councillors i.e. Mayor, Speaker and Deputy Mayor. Of the 27 councillors, 14 are ward elected councillors with the remaining 13 elected as proportional representation councillors. The number of Executive Committee members has increased to five in the year under review.

The Municipal Manager is the Accounting Officer of the municipality and is assisted by Five (5) Senior Managers heading the following departments: Budget and Treasury; Community Services; Corporate Services, Planning and Economic Services and Technical Services.

T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Executive Committee and Council of Umvoti were functional during the year under review. The Mayor is the Chairperson of the Executive Committee (EXCO) and Finance, Planning and Economic Services Committee during the year under review. The EXCO and Council exercised their functions as per the requirements of the Municipal Systems Act and Municipal Finance Management Act.

The Portfolio committees were established in terms of Section 79 and 80 of the Local Government Municipal Structures Act, (act 117 of 1998). The Municipal Public Account Committee (MPAC) was established as the Section 79 Committee in order to provide oversight role. Three Section 80 Committees, which are Council Portfolio committees were established as follows:

- Community and Corporate Services Portfolio Committee,
- Finance, Planning and Economic Services Portfolio Committee,
- Technical Services Portfolio Committee,

The Audit Committee is playing an advisory role in terms of governance matters and compliance with laws and regulations. This committee has been very functional and has been providing reports to Council on a regular basis.

Chapter 2

The municipality appointed Ntshidi and Associates as a Service Provider overseeing the internal audit function and do quarterly audits to all business units of the municipality and issue reports with findings. The Audit Committee and Performance Audit Committees were established in order to assist the municipality with the oversight role. The Audit Committee and Performance Audit Committees are responsible for the following functions:

- financial audits,
- performance audit,
- advise on effective governance; and
- advise on matters referred by municipality

The Audit and Performance Audit Committees were effective and functional during the year under review and made some recommendations to Council.

T2.1.1

COUNCILLORS

During the year under review, the municipality had effective and functional Municipal Council. The Council consisted of 27 councillors of which 3 are full-time councillors. Of the 27 councillors, 14 are ward elected councillors with the remaining 13 elected as proportional representation councillors. The Council has three Portfolio Standing Committees, with members of the Executive Committee serving as Chairpersons. Council has been convening meetings once every month and on exceptional circumstances when required.

T2.1.2

POLITICAL DECISION-TAKING

Council is the highest decision body maker in terms of Constitutional mandate. The Political Structure of Umvoti Municipality during the year under review is explained below:

POLITICAL STRUCTURE:

MAYOR

Cllr. TC Ngubane

DEPUTY MAYOR

Cllr. NG Masikane

SPEAKER

Chapter 2

Cllr. W. Khoza

WHIPS

Cllr. BD Madonsela (ANC)

Cllr. JM Mveli (IFP)

Cllr. RS.Maharaj (DA)

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

In terms of Section 60 (b) of the MFMA, the Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

In terms of the administrative governance structure; the following structures were in place during 2015/16 financial year:

The Office of the Municipal Manager: is responsible for strategic directional decisions and functions of the Municipality, as well as the implementation of the Internal Audit function, public relations and marketing, and overall management of governance offices, mayoralty and the implementation of special programmes.

Finance Department: is responsible for the implementation of Supply Chain management and **Contract Management, Financial administration and reporting as well as Asset management.**

Technical Services Department's duties are: planning, design, implementation and management of all new capital projects, provision of electricity, road maintenance, management of minor repairs workshop and provision of public works services management.

Community Services Department: is responsible for Public Amenities, Parks and Gardens, Solid waste management, traffic management services, Firefighting, Disaster management, and Security services.

Planning and Economic Services Department's duties are: Development planning, Building regulation and inspectorate, Local economic development and tourism, IDP and Performance management system, as well as Human Settlements and Municipal Estates.

T2.2.1

Chapter 2

TOP ADMINISTRATIVE STRUCTURE:

MUNICIPAL MANAGER

Mrs. T.N. Ngiba

DIRECTOR: PLANNING AND ECONOMIC SERVICES

Ms N.V. Khumalo

ACTING DIRECTOR: TECHNICAL SERVICES

Mr. N. Qwabe

CHIEF FINANCIAL OFFICER

Mrs CB Mkhize

ACTING DIRECTOR: COMMUNITY SERVICES

Mr. MR Khoza

ACTING DIRECTOR: CORPORATE SERVICES

Mr. MF Maphanga

T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Section 3 of MSA requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in Section 41 of the Constitution.

The Intergovernmental Relations Framework Act (13 of 2005) specifies the IGR structures that a municipality must participate in. During the year under review; Umvoti municipality participated in various district, provincial and national IGR structures. These structures assisted the municipality where there are capacity challenges in terms of support and advice. Government departments, municipalities and other institution such as SALGA, MISA, Trade Unions including the South African Local Government Bargaining Council have played their role in supporting the municipality in intergovernmental relations.

T 2.3.0

Chapter 2

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

Intergovernmental Relations are defined as an interacting network of institutions at national, provincial and local levels, created and refined to enable the various parts of government to cohere in a manner more or less appropriate to our institutional arrangements. It is an evolving system of institutional co-operation that seeks to address the relations of equality and interdependence as defined by the Constitution.

Umvoti Municipality is not an exception from the above arrangements which have been created through the implementation of Intergovernmental Relations Framework Act, 2005 with an aim to provide within the principle of co-operative government set out in Chapter 3 of the Constitution. The municipality participates in a number of IGR Forums from national, provincial and local levels with an aim of achieving objectives as set out in the framework and founding principles of those forums

During the year under review, the municipality participated in the following National Intergovernmental Structures:

- 2016/2017 IMFO Conference
- SALGA National Conference
- Municipal Property Rates Conference
- Institute of Traffic and Municipal Police Officers of South Africa
- Road Traffic Management Corporation
- National Traffic Indaba

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Provincial COGTA and Provincial Treasury plays a pivotal role in assisting the Municipality with advice and also hands on support. Regular meetings were held and attended by both officials and councilors.

Chapter 2

During the year under review, the municipality participated in the following Provincial IGR meetings:

- Project Management Unit Support meetings
- Provincial Disaster Management Forum
- Provincial Human Resources Forum
- Provincial Planning Advisory Forum
- Provincial CFO's Forum
- Provincial Municipal Property Rates Forum
- Provincial MSCOA Forum
- Provincial ICT Steering Committee
- Provincial District Technical Advisory Forum
- Integrated Traffic Law Enforcement
- Provincial Human Resources Development Forum

T2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality did not have any established Municipal entities during the year under review.

T2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

UMZINYATHI DISTRICT COORDINATING FORUM

The uMzinyathi District Municipality has established an intergovernmental forum as required by the said act which called the uMzinyathi District Coordinating Forum. On the 30 November 2007, the district family of municipalities signed the intergovernmental relations protocol, rules and procedures. The objective of the forum is to promote and facilitate intergovernmental relations and co-operative governance between the district and local municipalities, the forum meets on quarterly basis and is functioning properly.

Chapter 2

A technical support structure has also been established which serves to provide technical support to the District Coordinating Forum and implement their resolutions. Members of the technical support structure include the Municipal Managers of the district family of municipalities, or officials designated by them and it also meets on quarterly basis and is functioning properly.

THE UMZINYATHI PLANNING AND DEVELOPMENT FORUM

The uMzinyathi District Municipality established a Planning and Development Forum with the purpose of the forum being to co-ordinate planning and development within uMzinyathi District by ensuring:

- Improved and continued communication amongst the various planning practitioners in the district, and
- That planning and development within the District is undertaken in a holistic way and that it takes place within the framework of all Municipalities' Integrated Development Plans.

The membership of the forum comprises of officials from the DM and LM's under the following components, namely:

- IDP Managers;
- Town Planners;
- LED Managers/Officers;
- GIS Officers; and
- Representatives from the Department of Cooperative Governance and Traditional Affairs.

The District EPWP meetings were also attended by the municipality in order to address the EPWP issues in a coordinated way. The District Disaster Forum meetings were attended by the municipality in order to address disaster related issues.

T2.3.4

Chapter 2

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 15(b) of MSA: requires a municipality to establish and organise its administration to facilitate and a culture of accountability amongst its staff. Section 16(i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18(i)(d): requires a municipality to supply its community with information concerning municipal governance , management and development.

The public participation structures and related mechanisms are fully functional.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

In terms of Chapter 4, Section 16(1) (a)(iv) of the Local Government Municipal Systems Act, municipalities are required to develop a culture of public participation and must consult their respective communities on developmental issues.

The following mechanisms have been utilised for public participation when reviewing the 2016/2017 IDP.

- **IDP Representative Forum (IDP RF):** This forum includes all interested and affected stakeholders within Umvoti such as ward committees, government departments, Non-Government Organisations (NGOs) and Community Based Organisations (CBOs).
- **Media:** The municipality also made use of the local newspaper to inform the public on the process of the IDP/Budget review and schedule of public participation meetings such as IDPRF and community road shows.
- **Ward Committees:** Umvoti established ward committees for all the fourteen wards. The ward committees participated fully during the IDP review process through the IDPRF meeting and IDP/Budget road shows.
- **IDP/Budget Road shows:** Umvoti Local municipality has undertaken the IDP public consultation process in two forms: Community Based Planning and one main IDP/Budget roadshow. The Community Based Planning engagements took place from 14 to 21 February 2017. The main IDP/Budget roadshow for all wards took place on 17 May 2017. This process has been conducted in all the fourteen wards.

T2.4.1

Chapter 2

WARD COMMITTEES

Umvoti established Ward Committees in all the fourteen (14) municipal wards. The ward committees participated fully during the IDP review process through the IDP Representative Forum meetings and IDP/Budget road shows.

Induction of ward committees was conducted on the 27th January 2017 in order to ensure their effective functionality. Training of ward committee members will be conducted during the course of ward committee office term. The stipend of R1000.00 is paid to all ward committee members subject to the attendance of two (2) meetings and submission of one (1) sectoral report per month.

T2.4.2

Public Meetings						
	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP Road show	17 May 2017	27	30	10 000	Yes	Ward Level/council
Community Based Planning	14 – 21 February 2017	27	20	Varied per ward between 80-300	Yes	Ward Level/council

T 2.4.2

Chapter 2

The under-mentioned schedule indicates some of the public consultative meetings which were held:

Consultation Plan:

WARD	DATE	VENUE
01	14 February 2017	Domrey Hall
01	14 February 2017	Mbomvu Tribal Court
01	15 February 2017	Vikindlala Hall
01	15 February 2017	Makhabeleni Tribal Court
01	15 February 2017	Dayingubo
02	16 February 2017	Gwinyamathe Hall
02	16 February 2017	Cele Tribal Court
03	16 February 2017	Ntembisweni Hall
03	16 February 2017	Mzoniwe Primary School
04	26 February 2017	Eshane Community Hall
05	15 February 2017	Hemmanesburg Community Hall
05	15 February 2017	Mfushane Primary School
05	15 February 2017	Kranskop Community Hall
06	14 February 2017	Mhlabathini Community Hall
06	20 February 2017	Gcotoi Community Hall
06	20 February 2017	Vukaphansi Community Hall
06	22 February 2017	Ophofini Community Hall
06	22 February 2017	Magobhe Primary School

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06	23 February 2017	Ndundumeni
07	19 February 2017	Solomon Mzolo Village
07	19 February 2017	Enhlahakahle New Hall
08	21 February 2017	Sheshisamsamo
08	21 February 2017	Zibambeleni Hall
08	21 February 2017	Cebolesizwe
09	15 February 2017	Greytown Town Hall
10	19 February 2017	Phasiwe Hall
10	19 February 2017	Halalisani Primary School
11	16 February 2017	Tshekane Hall
11	16 February 2017	Eyethu Primary School
11	16 February 2017	Cranham Primary School
12	15 February 2017	KwaSenge creche
12	15 February 2017	Ehlanzeni Sports field
12	15 February 2017	Sibila Primary School
13	15 February 2017	Bhema Community Tent
13	15 February 2017	Mbuba Community Hall
13	15 February 2017	Embangweni Community Hall
13	15 February 2017	KwaNtanzi
14	14 February 2017	Mavalane Peace Centre
14	14 February 2017	Msengeni creche
14	14 February 2017	Matishane Hall
IDP/BUDGET ROAD SHOW		
12 (for all municipal wards)	17 May 2017	Ehlanzeni Sports field

Chapter 2

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The ward committee meetings and public meetings were effective as community concerns have been considered in the municipal planning processes. The ward committee reports also inform the Municipality of the challenges faced by the communities as well as their needs. The public meetings reports were prepared after the meetings and submitted to Council for consideration. The IDP Public Consultation report was prepared and all issues raised by communities were captured in the reports and later in the 2017/2018 IDP Review.

T2.4.2

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the Municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Does the IDP KPIs align to the Section 57 Managers	Yes
Does the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Does the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes

Chapter 2

Were the four quarter aligned reports submitted within stipulated time frames?	Yes
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* Section 26 *Municipal Systems Act 2000*

T2.5.1

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Section 154 of the Constitution of the Republic of South Africa indicates that the national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and perform their functions.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Section 62(i)(c) of MSA requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

A risk assessment was conducted by Provincial Treasury in 2016 and the risk register was developed capturing all risks identified during the assessment. A risk register monitor was identified as being a prerequisite to effective risk management .To this end the municipality engaged a suitably qualified risk register monitor ("risk champion").Initial risk register monitoring has highlighted several deficiencies in the municipality's risk management framework and concluded that the municipality's risk maturity profile is low.

Council is committed to risk management and processes are in place to improve the risk management maturity profile.Key to this is the the approval by council of the risk policy and development of the risk management strategy. To entrench the concept of risk management in the day to day activities of management, it is envisaged that the focus and implementation of risk management will be an integral part of the balanced scorecards of senior management.

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In order to evaluate and drive the municipality's performance in risk management the process will be guided by a risk committee formed subsequent to the reporting date.

It is recognized that risk management is an ongoing process and procedures are in place to identify and include in the monitoring process any emerging risks that might occur.

T2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

A revised draft Fraud Prevention Policy and draft strategy have been prepared for approval by Council, the main purpose of the policy is to provide guidelines within the existing legal framework, for dealing with fraud and corruption within the municipality. This policy endeavors to assist in the creation of an environment where fraud and other crimes of dishonesty are efficiently, economically and effectively prevented, detected, investigated and reported, and the consequent recovery of losses and action against guilty perpetrators. Council will consider a Whistle Blow Policy, to support the Fraud Prevention Policy.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was reviewed to be aligned with National Treasury's Regulations and it was adopted in May 2016 with the implementation date being the 1st July 2016. A system of managing all goods and services has been implemented to ensure that value for money is received when procuring goods or services.

1.1 Adequacy of personnel within SCM

- a) All officials in the Supply Chain Management unit have been trained on the functioning of the Supply management processes. All members of the committee underwent an SCM training during the year under review to enhance their Technical Skills in the discharging of their core functions including the SCM personnel.

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- b) The municipality in the past financial year has been beneficiary of a Provincial Treasury training initiative on contract management for the past quarter, 2 employees within the SCM unit were beneficiaries of this training namely the SCM Manager and the SCM Practitioner.

2. Functioning Of Bid Committees

The Accounting Officer has as per section 26 of the Supply Chain Management regulations appointed the following committees:

- a) Bid Specification Committee
- b) Bid Evaluation Committee

- c) Bid Adjudication Committee

The bid committees were constituted to be in line with treasury regulations and Section 27-29 of the approved SCM policy. The Budget and Treasury Office in the year under review initiated a BID Committee training for all 3 Bid Committees to assist them in the discharging of their core functions including the SCM personnel.

2.1 Adequacy of Bid Committee meetings

- a) The SCM unit can report that the Bid Committees recently constitutes performed adequately well for period under review with the exception of the BAC which is comprised of the Senior Managers. The inadequate functionality of the BAC can be attributed to the fact that Senior Managers have to juggle their time between various functions, which impacts on the timeous sitting of the BAC meetings. The SCM unit has also developed a schedule of meetings for all committees.

3. Contract Management

- a) Section 75 (1) (g) of the MFMA stipulates that the municipality must place all awarded contracts above a certain value on the municipal website. The Municipal Council is to adhere to the PPPFA threshold guidelines. Regulation 23 (c) (iii) also specifies that all bid results must be submitted/advertised on the municipal website.
- b) Council in the past financial year has implemented an effective system of contract management system with the assistance of the Provincial Treasury. The core function of the unit is as follows:
 - (i) Administer all contracts entered into between Council and responsive bidders
 - (ii) Facilitate the signing of the SLA with responsive bidders

Chapter 2

(iii) Monitoring of the contracts signed for the delivery of various goods and services in consultation with the relevant departments

- c) It must be noted that due to capacity challenges in the form of personnel, the system is not as water tight as it ought to be and requires to be improved. It is anticipated that with the recent contract management training intervention as offered by Provincial Treasury, this will serve to improve the functionality of the Contract Management unit.

4. PERFORMANCE MANAGEMENT

- a) Section 116 (2) (d) stipulates that every contract that the municipality enters into, a regular report must be submitted to council detailing its management and the performance of the contractor. In order to be able to do this, the accounting officer is thus required to compile a schedule summarizing progress against all the contracts that the municipality entered into.
- b) Although Council has approved the Performance Management Policy that regulate the performance of the municipality, the effectiveness of the system was not put in place into test due to the shortage of the human capital within the SCM unit.
- c) The Supply Chain Management is not in position to accurately account in terms of the performance of contractors and supplies as it solely relied on the information provided by the project managers which may or may not be accurate
- d) Issues such as variation orders, price escalations and handling of contingency fees remained the sole function of the project managers. Measures need to be put in place to ensure that this component of the performance management is managed adequately.

5. RISK MANAGEMENT

All issues that were identified in the course of the period under review as potentially posing a threat to the optimal functioning of the SCM unit are currently being identified through the risk management process of the municipality and will be addressed in detail in the current financial year.

6. IMPLEMENTATION OF PROCUMENT PLAN

Chapter 2

Timeous Implementation of the procurement plan by user Departments continues to be a challenge, and measures are currently being considered to ensure that the procurement plan are implemented timeously so as to ensure that we avoid under or over expenditure on all Capital and operational projects .

T2.8.1

2.9 BY-LAWS

The municipality prepared new bylaws and some bylaws were reviewed in order to be in line with legislative requirements.

No.	BY-LAWS	PROGRESS
1.	Credit Control and Debt Collection by-laws	Will be reviewed in the 2018/2019 FY
2.	Rates by-laws	Will be reviewed in the 2018/2019 FY
3.	Tariff Policy by-laws	Will be reviewed in the 2018/2019 FY
4.	Credit Management	Will be reviewed in the 2018/2019 FY
5.	Umvoti Building Control by-laws	Will be reviewed in the 2018/2019 FY
6.	Umvoti Street Trading by-law	Will be reviewed in the 2018/2019 FY
7.	SPLUMA by-law	Will be reviewed in the 2018/2019 FY

COMMENT ON BY-LAWS:

All By-Laws were adopted first in November 2014 and 30th June 2016 and are reviewed annually in line with the IDP requirements.

T2.9.1

2.10 WEBSITES

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The Umvoti Municipality Website has been running very stable with no downtime or interruptions. New features added are as follows:

Chapter 2

- Quick Access Icons for easy direct linking to relevant pages.
- Addition of a Public advertisements page to allow for external adverts to be uploaded which affect umvoti residents.
- Addition of directional map tool to allow website visitors to find directions to the Municipality from any point in South Africa with detailed instructions.
- Slider with post facilities allows visitors the option to read more about the post by clicking on the slider image.
- Demographic informational page added.
- Ward Delimitation Maps page
- User feedback form added to website to ensure users concerns are addressed
- FAQ's page updated with relevant questions and answers

Website security has been further improved to ensure no unethical behaviour or actions are allowed to be carried out on the website by hackers by Implementing the following controls

- Firewall
- Email alerts on user/admin Logins,
- Block IP addresses of any person trying to access the backend with incorrect username
- Whitelist & Blacklist IP Addresses
- Stronger passwords utilized
- Website Backups

Website is updated with latest information received from various departments on a bi-weekly basis to ensure visitors have access to latest and current information.

Due to the website design and maintenance managed by the IT Department utilizing inhouse skills has benefited the Municipality by both saving costs and allowing for more frequent updates as they are available which assists with service delivery.

The IT Department strives to ensure maximum uptime on the website, improving and optimizing the website as technology advances.

T2.10.1

Chapter 2

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

The constitutional mandate of the municipality in terms of section 152 is to ensure the provision of services to communities in a sustainable manner. The survey was in the form of non-experimental, descriptive research method and was used to assess attitudes and characteristics of a wide range of municipal service delivery competencies.

For the purposes of the above, public survey boxes were placed at each front office\public office within the municipality, adverts were placed informing the public of complaints measures and processes for any complaints or queries. This will be further investigated in the new financial year.

T2.11.1

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

The capital projects funded through the Municipal Infrastructure Grant (MIG) that were planned for the 2015/2016 financial year were completed on time, except the Mdelelanto Community Hall as the awarded Contractor declined the appointment as result this hall will be constructed in 2016/17 Financial Year.

The provision of electricity in rural areas (areas supplied by ESKOM) has been improved and Woolstone and Kwadolo Phase two projects were completed on time. While Muden and Ngome Phase three and four Projects were delayed due to the fact that Eskom was not having enough meters to supply on time and the shortage of construction materials from suppliers, which have lead times of three to six months for the materials to be delivery. Solar energy has also been identified as an alternative to areas with no electricity due to capacity constraints. Njengabantu area was identified and the concessionary started fitting the solar panels in the area. The level of sanitation has improved as a result of the new sanitation projects implemented by UMzinyathi District Municipality. The level of access to water has also improved as a result of new water schemes implemented by the district. The district Municipality has also provided sanitation facilities for the informal settlement residents. Water is provided to these settlements by water tankers filling JoJo tanks.

T3.0.1

Chapter 3

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

Umvoti Municipality provision of electricity provision improved during the 2017/18 financial year. The completion of the new substation at Msinga and the upgrading of networks on some substations by ESKOM led to continuation of electrification in a number of areas in Umvoti. The electricity supply increased to more than 60% in the year under review. The municipality however still acknowledges that there are wards such as Ward 01 that are still negatively affected by network capacity constraints.

The water and sanitation infrastructure in Umvoti Municipality, especially in the town of Greytown and Kranskop is ageing. There is currently high water demand for Greytown and surrounding areas; Umzinyathi District commenced with the construction of the Craigieburn Dam Pipeline which will service these areas. However; the project experienced delays due to the protest by a community residing in the area where the pipe must pass. The Greytown Waste Water Treatment Works is currently above its capacity and is sitting at 120%. The town of Kranskop is highly experiencing sanitation problems as there is no proper sewerage works/plant in this town. There was a proposal to expand the public work sewer plant at the prison; however there is no guarantee that this expansion will have enough capacity for the whole of Kranskop.

Refuse removal service is currently rendered in urban areas only and the municipality is investigating means of extending the service to rural areas. The Regional Landfill site in Greytown was constructed and cell one has been completed and is ready for utilisation. The operational issues are being addressed by the District, Msinga Municipality and Umvoti Municipality as Umvoti Municipality intends operating the Landfill site.

T3.1.0

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Umzinyathi District Municipality is the Water Service Authority, water projects and other related information will be reported by the district.

T3.1.1

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Waste Water provision is a service of the District Municipality and the sanitation projects related information will be reported by the district.

T3.2.1

Chapter 3

3.3ELECTRICITY

INTRODUCTION TO ELECTRICITY

Umvoti Municipality only has a license to distribute electricity in Greytown and Enhlalakahle Township. ESKOM supplies Kranskop town and the outlying areas. All consumers connected to the electricity network receive a full service at the applicable rates/tariffs as approved by the National Energy Regulator of South Africa (NERSA) every year.

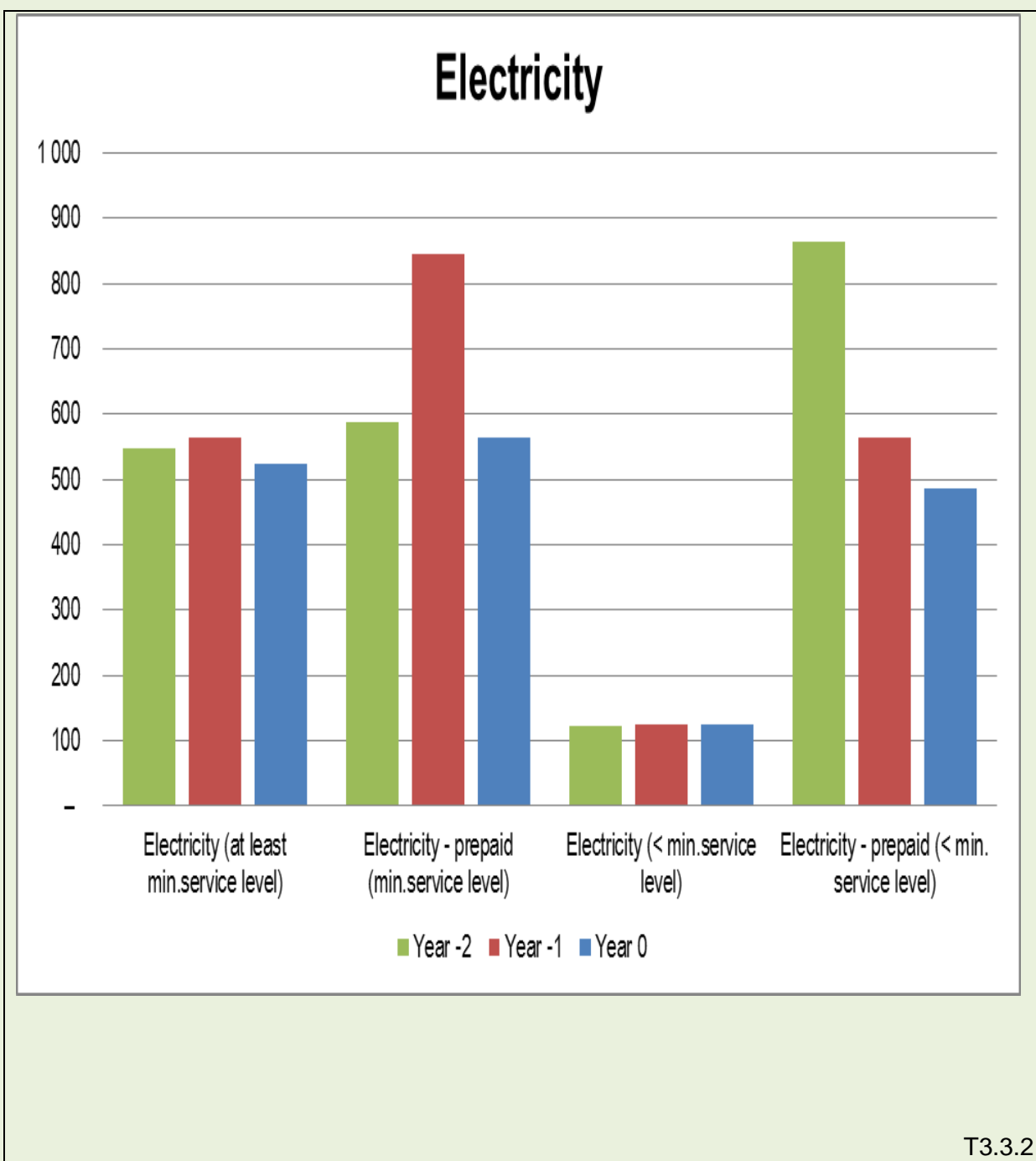
The electrification projects are undertaken with the assistance of the Department of Energy (DoE) Grant funding. Umvoti Municipality pledged its INEP allocations for the 2015/16 and 2016/17 financial years for R45.5 million in total. The Municipality submitted an application to Development Bank of Southern Africa (DBSA) for an Integrated National Electrification Programme (INEP) frontloading facility of R68 million in order to fast track implementation of fifteen (15) priority household electrification projects. The pledging period for the FY2015/16 expired due to delay from National Treasury in approving the pledge request. The INEP pledge extension request was subsequently submitted to National Treasury for approval and such approval was obtained. Umvoti and DBSA thereafter signed a front loading loan agreement for the amount of R24.5million which was used to complete the electrification projects.

The other grant funding for electrification projects was provided by the Department of Cooperative Governance and Traditional Affairs (COGTA). The 497 high mast street lights project was completed during the year under review and was fully funded by COGTA. The Makhabeleni Electrification Project is funded through the Massification Grant from COGTA. An amount of R84 million has been spent to date and 1692 out of the 2414 households have been electrified utilising this grant

Provision is made in the annual operating and capital budgets for the maintenance, refurbishment and/ or upgrading of the electricity network. The allocation for maintenance funding for the Electricity function is increased gradually to achieve the requirement of 6% of the electricity sales on an annual basis as stipulated by NERSA in an effort to improve the preventative maintenance actions and ensure long term continuity of supply. Maintenance on the electricity network is done on a continuous basis. Maintenance on public lighting is done on a regular basis.

T3.3.1

Chapter 3



Electricity Service Delivery Levels				Households
Description	Year -3	Year -2	Year -1	Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Energy:</u> (above minimum level)				
Electricity (at least min.service level)	1,460	1,394	2,665	2978

Chapter 3

Electricity - prepaid (min.service level)	939	1,069	587	1908
<i>Minimum Service Level and Above sub-total</i>	2,399	2,463	3,252	4886
<i>Minimum Service Level and Above Percentage</i>	86.0%	82.2%	88.4%	92.0%
<u>Energy: (below minimum level)</u>				
Electricity (< min.service level)	392	497	0	0
Electricity - prepaid (< min. service level)	0	0	425	423
Other energy sources	0	38	0	0
<i>Below Minimum Service Level sub-total</i>	392	535	425	423
<i>Below Minimum Service Level Percentage</i>	14.0%	17.8%	11.6%	8.0%
Total number of households	2,791	2,998	3,677	5,309
T 3.3.3				

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	5	5	0	0%
4 - 6	2	6	2	1	33%
7 - 9	4	4	4	1	50%
10 - 12	3	2	3	1	50%
13 - 15	1	0	1	1	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	15	17	15	4	29%
T 3.3.4					

Chapter 3

Electricity Service Policy Objectives Taken From IDP						
Service Objectives <i>Service Indicators</i>	Indicators	Year -1 2016-2017		Year 0 2017/2018		
		Target	Actual	Target		Actual
				*Previous Year	*Current Year	
Service Objective xxx						
To improve access to electricity	Number of households with access to electricity (municipal licensed area)	3262	3284	3262	3262	3303
	Number of Businesses with Access to electricity (Municipal Licensed area)	N/A	N/A	N/A	1059	505
	% of electricity faults addressed within a 3 hour turnaround time (municipal licensed area)	100 % within 3 hours	93.75%	100 % within 3 hours	100 % within 3 hours	100 % within 3 hours
	Number of households electricity connections completed in Townlands	N/A	N/A	N/A	68 connections	70 Connections
	Number of households electricity connections completed in ward 3 (Ziba)	N/A	N/A	N/A	150 connections	150 Connections
	Number of households electricity connections completed in Mthiyagwa	N/A	N/A	N/A	40 Connections	0
	Number of households electricity connections completed in Delevu	N/A	N/A	N/A	30 connections	39 Connections
	Number of households electricity connections completed in Mfushane	N/A	N/A	N/A	68 connections	0 Connections
	Number of high mast lighting constructed	N/A	N/A	N/A	15 x 30 metre high mast lighting	0
T3.3.5						

Chapter 3

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	7	7	0	0%
4 - 6	3	4	3	1	25%
7 - 9	1	2	1	1	50%
10 - 12	2	4	2	1	25%
13 - 15	1	3	1	2	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	13	20	14	5	25%
T 3.3.6					

ELECTRICITY SERVICE	BUDGET	ACTUAL	
TOTAL OPERATING REVENUE(EXCLUDING TARIFFS)	83,000,000	80,302,318	THIS IS GRANT INCOME
EXPENDITURE			
EMPLOYEES	6,994,827	3,043,076	
REPAIRS AND MAINTENANCE	3,444,835	3,657,557	
OTHER	107,633,016	75,731,550	
TOTAL OPERATIONAL EXPENSES	118,072,678	82,432,183	
NET OPERATIONAL (SERVICE) EXPENDITURE			
CAPITAL EXPENDITURE - ELECTRICITY	22,080,392	8,020,610	

Chapter 3

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Infrastructure refurbishment/upgrading : Funding has been made available in the capital budget to address the upgrading/refurbishment of older infrastructure such as cables, overhead lines, transformers and switchgear and this assists largely in ensuring a continuous supply of electricity to all consumers.

The Electricity Unit is facing many challenges:

- The backlogs on the repairs, maintenance, refurbishment and replacement of electricity infrastructure.
- High demand for electrification in informal settlements
- Protection of revenue from theft and tampering
- High electrical losses, the service provider was appointed to reduce electricity losses by inspecting all connections for meters which have been tampered with, but access was denied by community in Enhlalakahle as a result the project was stopped.
- The revenue losses are mainly due to technical losses, illegal connections, unbilled metered consumers, unmetered street lights and tampering with meters
- Upgrading of the street lighting system and maintenance
- The theft of cables and the vandalism of the electricity infrastructure is still the major problem

Despite all the challenges the Municipality has been able to provide electrification to certain rural areas with the DOE funding

T3.3.9

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are delays in the completion of the Greytown Regional Landfill site which is currently under

Chapter 3

construction. The buyback Centre has been completed and is currently functional. The Municipality is in the process of reviewing the Integrated Waste Management Plan. It is expected that this process will be concluded by 30 June 2019.

T3.4.1

Solid Waste Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households Year 0
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	2657	2971	3021	3085
<i>Minimum Service Level and Above sub-total</i>	2657	2971	3021	3085
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week	N/A	N/A	N/A	N/A
Using communal refuse dump	N/A	N/A	N/A	N/A
Using own refuse dump	N/A	N/A	N/A	N/A
Other rubbish disposal	N/A	N/A	N/A	N/A
No rubbish disposal	N/A	N/A	N/A	N/A
<i>Below Minimum Service Level sub-total</i>	N/A	N/A	N/A	N/A
Total number of households	2657	2971	3021	3078
T 3.4.1				

Chapter 3

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements	N/A	N/A	N/A	N/A	N/A	N/A
Total households	N/A	N/A	N/A	N/A	N/A	N/A
Households below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A
Proportion of households below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A
Informal Settlements						
Total households	100 000	100 000	100 000	100 000	100 000	100 000
Households is below minimum service level	25 000	25 000	25 000	25 000	25 000	25 000
Proportion of households is below minimum service level	25%	25%	25%	25%	25%	25%
T 3.4.2						

Chapter 3

Waste Management Service Policy Objectives Taken From IDP					
Service Objectives	Year -1 2016/2017		Year 0 2017/2018		
	Target	Actual	Target	Actual	
<i>Service Indicators</i>			*Previous Year	*Current Year	
Service Objective : TO IMPROVE ACCESS TO SOLID WASTE REMOVAL SERVICES					
Number of households with access to solid waste removal	3171	3161	3171	3171	3169
Number of businesses with daily access to solid waste removal	430	410	430	835	649
					T3.4.4

Chapter 3

Employees: Solid Waste Management Services-Transfer Station and Dumpsite					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	6	6	0	0%
4 - 6	1	1	1	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	6	7	7	0	0%
T3.4.4					

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	19	15	4	0%
4 - 6	1	1	1	0	0%
7 - 9	2	3	3	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	15	23	19	4	17%
T3.4.5					

Chapter 3

COST OF FREE BASIC SERVICES		
	BUDGET	ACTUAL
REFUSE	693 728	731 883.04
ELECTRICITY	1,500,000	1,449,002

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

The Municipality has four (4) refuse trucks in operation (30 tons x 2, 10 tons x 2 and 4 tons x 2) that are collecting refuse from the residential areas and discard it at the Municipal Transfer Station. The Municipality currently transports solid waste to Pietermaritzburg Msunduzi Landfill site using its own vehicles. The construction of the regional landfill site is currently in progress and will eliminate the need for the Municipality to transport waste to Msunduzi Landfill site thereby reducing waste management costs.

T3.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION TO HOUSING

Housing delivery within Umvoti Municipal Area is state funded. The Municipality acts as a Developer for low cost housing projects. The Municipality has prepared a Housing Sector Plan as a strategy for addressing the housing demand in its area of jurisdiction. The Municipality has prioritised both urban and rural housing projects in order to eradicate the housing backlog.

The Municipality has also prioritised the eradication of four (4) informal settlements that exist in the municipal area. None of the informal settlements have been formalized through in-situ upgrading for the following reasons:

- Tent Town – 411 households are located within the closed landfill site and it is not environmentally recommended to have the settlement there.
- Lindelani – 436 households are located within Transnet owned servitude.
- Coloured Village – this small settlement (31 households) is located within a 50 – 100 year flood line and this poses a great danger.
- Brickyard - this settlement is located in a wetland and comprises of 33 households
- Kranskop (250 sites) – this is a very dense informal settlement with approximately 350 households. It will not be possible to accommodate all the households with the property that they have invaded since the household's structures are too congested. This settlement has grown overtime as the informal settlements were 250 when the project was planned.

The Municipality intends to eradicate these informal settlements and ensure that all households have access to appropriate shelter with decent services. The Greytown Slums Clearance Project comprises of 1027 residential units and Phase 1 (513 units) of construction is currently in progress. The Kranskop Slums Clearance Project is currently delayed as there is no sewer plant in Kranskop.

T3.5.1

Chapter 3

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -3	26060	10971	42.1%
Year -2	26060	10971	42.1%
Year -1	27282	14459	53.0%
Year 0	27282	14459	53.0%
			<i>T 3.5.2</i>

Chapter 3

Housing Service Policy Objectives Taken From IDP						
Service Objectives <i>Service Indicators</i>	Indicators	Year – 1 2016/2017		Year 0 2017/2018		
		Target	Actual	Target		Actual
				*Previous Year	*Current Year	
Service Objective						
<i>To promote the development of sustainable human settlements and quality housing</i>	Date Housing Sector Plan reviewed and approved	25 May 2017	30 June 2017	25 May 2017	25 May 2018	0
	Number of Umvoti Housing Forum Meetings held	4	4	4	4	3
	Number of Quarterly progress report submitted to the Municipal Manager	4	4	4	4	4
T3.5.3						

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	2	2	3	0	0%
10 - 12	0	1	0	1	0%
13 - 15	1	0	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	4	1	0%
					T3.5.4

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Umvoti Municipality is a Developer in terms of the tripartite agreement signed with the Department of Human Settlements. Umvoti Municipality has received an award for the 2015 Govan Mbeki Award for the KwaZulu-Natal Best Rural Housing Project (Matimatolo Rural Housing Project). The Municipality has prioritised both urban and rural housing projects. There are three projects that have been completed: 497 Housing Project (497 units), Matimatolo Housing Project (600 units) and Ntembisweni Housing Project (600 units). The main housing projects on the pipeline are: Mthembu-Sithole Housing Project (under construction) and Greytown Slums Clearance Project (under construction). The Mthembu-Sithole Housing Project comprises of 1300 divided into two construction phases. Phase 1 of construction of 650 units have now been completed. The Municipality does not fund the housing projects but are fully funded by the Department of Human Settlements. There are also housing projects that are at planning phase: Muden Housing Project, Makhabeleni Rural Housing Project, Mbulwane Rural Housing Project, Matimatolo Phase 2 and Enhlalakahle Phase 2.

As the department undertook to grant full subsidy for these projects, no provision was made on the municipal budget to fund any capital expenditure.

T3.5.7

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

In terms of section 74 of the Local Government Municipal Systems Act No. 32 of 2000, a Municipal Council must adopt and implement a Tariff Policy. In terms of section 74 (i) of the Act in adopting a Tariff Policy, the Council should at least take into consideration the extent of subsidization of tariffs for poor households. This policy must provide procedures and guidelines for the subsidization of basic services and tariff charges to its indigent household

The Council also recognizes that many residents simply cannot afford the cost of services provided and, for this reason; the Council will endeavour to ensure affordability through:-

- Setting tariffs that will balance the economic viability of continued service delivery; and
- Determining appropriate service levels.

The relief given is in respect of refuse, electricity, rates and burial. Consumers are given a rebate of R40 monthly on the refuse charge. Indigent consumers receives 50Kwh of free electricity per month. With regards to rates rebate the municipality is currently reviewing a rates policy which seeks to exempt indigent customers' properties from being rated.

The municipality recently realised that we have been under reporting the indigent support programme, it excluded Eskom supplied areas yet the municipality does pay indigent portion on behalf of Umvoti indigent customers. This has been ratified in 2018/19, the indigent support reports have incorporated and now includes Eskom supplied areas

T3.6.1

INDIGENT CUSTOMERS

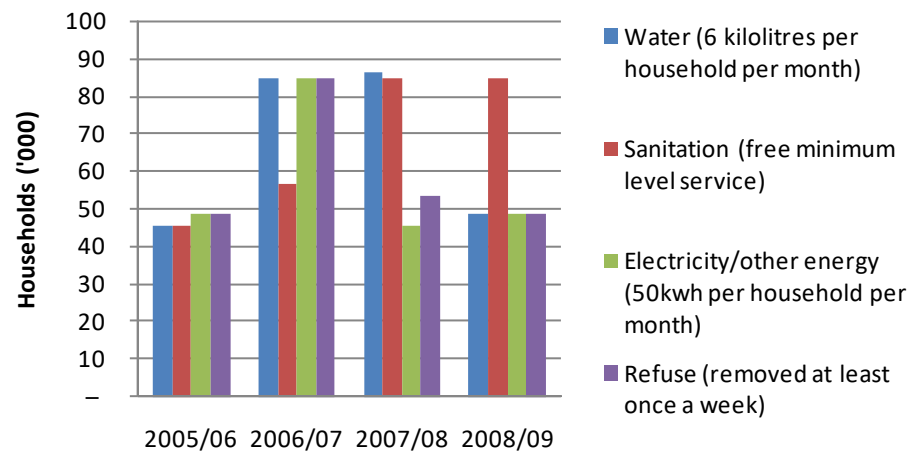
	2015/2016	2016/2017	2017/2018
BUDGET	1,500,000	1,500,000	1,500,000
ACTUAL	1,786,438	1,642,920	2,846,066
INDIGENT NUMBER	592	744	829

Indigent support threshold

No	Amount	Percentage of Indigent
1	Twice the Government Pension per Household	100%
2	Between point 1 above and R5000.00 – Private Pension or Government	100%
3	R5000.00 – 6500.00 – Pension Only	80%
4	R6500.00 – R8000.00 Pension Only	60%
5	Unemployed upon verification	100%
6	Employed to the earning amount of R4000.00	100%
7	Employed earning amount R4000.00 – R6000.00	60%
8	Employed earning above R6000.00	Nil
9	Pensions above R8000.00	Nil

T3.6.1

Free Basic Household Services



T3.6.2

KZN245 Umvoti - Table A10 Basic service delivery measurement

Description	Ref	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1							
<u>Water:</u>								
Piped water inside dwelling		5 520	5 520	5 520	5 520	5 520	5 520	5 520
Piped water inside yard (but not in dwelling)		4 801	4 801	4 801	4 801	4 801	4 801	4 801
Using public tap (at least min.service level)	2	3 776	3 776	3 776	3 776	3 776	3 776	3 776
Other water supply (at least min.service level)	4	4 407	4 407	4 407	4 407	4 407	4 407	4 407
<i>Minimum Service Level and Above sub-total</i>		18 504	18 504	18 504	18 504	18 504	18 504	18 504
Using public tap (< min.service level)	3	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-
Total number of households	5	18 504	18 504	18 504	18 504	18 504	18 504	18 504
<u>Sanitation/sewerage:</u>								
Flush toilet (connected to sewerage)		6 371	6 371	6 371	6 371	6 371	6 371	6 371
Flush toilet (with septic tank)		1 242	1 242	1 242	1 242	1 242	1 242	1 242
Chemical toilet		3 344	3 344	3 344	3 344	3 344	3 344	3 344
Pit toilet (ventilated)		5 839	5 839	5 839	5 839	5 839	5 839	5 839
Other toilet provisions (> min.service level)		969	969	969	969	969	969	969
<i>Minimum Service Level and Above sub-total</i>		17 765	17 765	17 765	17 765	17 765	17 765	17 765
Bucket toilet		261	261	261	261	261	261	261
Other toilet provisions (< min.service level)		2 495	2 495	2 495	2 495	2 495	2 495	2 495
No toilet provisions		-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		2 756	2 756	2 756	2 756	2 756	2 756	2 756
Total number of households	5	20 521	20 521	20 521	20 521	20 521	20 521	20 521
<u>Energy:</u>								
Electricity (at least min.service level)		15 907	15 907	15 907	15 907	15 907	15 907	15 907
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		15 907	15 907	15 907	15 907	15 907	15 907	15 907
Electricity (< min.service level)		-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-
Total number of households	5	15 907	15 907	15 907	15 907	15 907	15 907	15 907
<u>Refuse:</u>								
Removed at least once a week		6 794	6 794	6 794	6 794	6 794	6 794	6 794
<i>Minimum Service Level and Above sub-total</i>		6 794	6 794	6 794	6 794	6 794	6 794	6 794
Removed less frequently than once a week		718	718	718	718	718	718	718
Using communal refuse dump		369	369	369	369	369	369	369
Using own refuse dump		14 372	14 372	14 372	14 372	14 372	14 372	14 372
Other rubbish disposal		444	444	444	444	444	444	444
No rubbish disposal		4 585	4 585	4 585	4 585	4 585	4 585	4 585
<i>Below Minimum Service Level sub-total</i>		20 488	20 488	20 488	20 488	20 488	20 488	20 488
Total number of households	5	27 282	27 282	27 282	27 282	27 282	27 282	27 282
Households receiving Free Basic Service	7							
Electricity/other energy (50kwh per household per month)		1 000	1 000	649	649	649	649	649
Refuse (removed at least once a week)		1 000	1 000	1 000	1 000	1 000	1 000	1 000
Cost of Free Basic Services provided - Formal Settlements (R'000)	8							
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	757	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	757	-	-
Highest level of free service provided per household								
Property rates (R value threshold)								
Revenue cost of subsidised services provided (R'000)								
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)								
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		-	-	-	-	10 189	10 749	11 340
Other		-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		-	-	-	-	10 189	10 749	11 340

Free Basic Service Policy Objectives Taken From IDP						
Service Objectives	Indicators	Year -1 2016/2017		Year 0 2017/2018		
		Target	Actual	Target		Actual
		*Previous Year		*Previous Year	*Current Year	
<i>Service Indicators</i>						
Service Objective xxx						
Provision of free basic electricity	Number of households with access to free basic electricity	507	294	632	N/A	N/A
Provision of solid waste removal service to the community	Number of households with access to free waste service removal	567	640	525	N/A	N/A
T 3.6.5						

Note: there was no target set for free basic services during the year under review.

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The Council only provides free basic electricity and a discounted refuse fee for registered indigents in the urban areas only. The consumers who do not renew their registration forfeit the benefit as registration occurs on an annual basis.

T3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

INTRODUCTION TO ROAD TRANSPORT

The Municipality has made provision for formal public transport facilities in Greytown and Kranskop. However, there are other existing informal spaces in the outlying areas utilised as public transport facilities. The taxis/kombis are the most popular public transport mode found in Umvoti Municipal area of jurisdiction.

T3.7.0

3.7 ROADS

INTRODUCTION TO ROADS

An assessment was conducted for both the urban and rural roads due to the lack of maintenance during the previous years. This study indicated that the roads are in a poor condition and would have to be resurfaced or completely reconstructed.

Appointment of 10 staff under EPWP Programme for the Routine Maintenance of Roads and Storm-water Network Infrastructure for the year under review and also a service provider was secured for Supplying and Delivering of Hot and Cold Asphalt as and when required basis to address the maintenance work.

T3.7.1

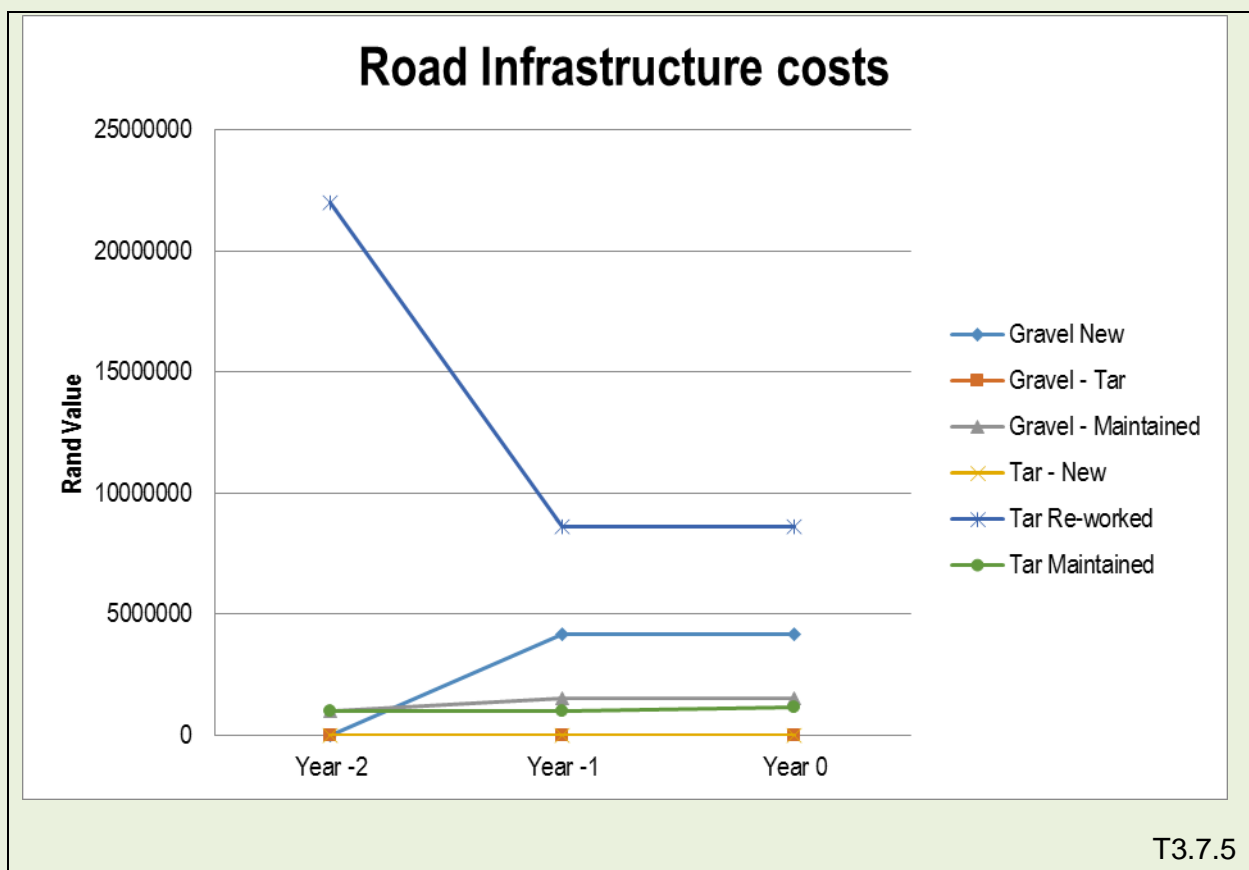
Gravel Road Infrastructure

The maintenance of gravel roads includes operations such as the grading of the gravel road surface to improve the riding quality, the re-graveling process i.e. to re-work and re-compact the pavement layers, and the operation includes drainage improvements on gravel roads.

Gravel Road Infrastructure				
	Kilometers			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year - 2	89km	0	0	89km
Year - 1	110km	5	0	110km
Year 0	181.80 km maintained	0	0	181.80 km maintained
T 3.7.2				

Tarred Road Infrastructure					
	Kilometers				
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -2	6	0	5	0	±1
Year -1	5	0	5	0	±1
Year 0	0	0	0	0	6119.65m ²
T 3.7.3					

Cost of Construction/Maintenance						
R' 000						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -2	4190000	0	1500000	0	8626758	1000000
Year -1	4190000	0	1500000	0	8626758	1147364,41
Year 0	6303626	0	1000000	0	0	380000
T 3.7.4						



Road Service Policy Objectives Taken From IDP					
Service Objectives	YEAR – 1 2016/2017		Year 0 2017/2018		
	Target	ACTUAL	Target		Actual
			*Previous Year	*Current Year	
<i>Service Indicators</i>					
Service Objective To improve access to roads and pavements					
Number of kilometers of gravel roads maintained	110km	181.80km	110km	110km	118.18Km
Number of m ² of patches and potholes repaired (Urban area)	6000 m ²	6119.65m ²	6000 m ²	6000 m ²	3411.47m ²
					T 3.7.5

The performance in terms of available financial resources was excellent, as all planned maintenance funded from Operational budget and MIG Capital projects were completed. The Municipality is in the process of developing the Operational and Maintenance Plan.

T3.7.8

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

The Municipality does not operate a bus service. It is a licencing authority and deals with the testing and licensing of vehicles.

The Municipality regularly meets with the taxi industry to discuss challenges in order to ensure that there are no disruptions in the transportation within the municipal area.

T3.8.1

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

The Municipality does not operate a bus service and only deals with Vehicle Licencing and this section is functioning well. No capital expenditure was incurred during the year under review and no major capital project has been planned as a New Building was erected in 2011.

T3.8.2

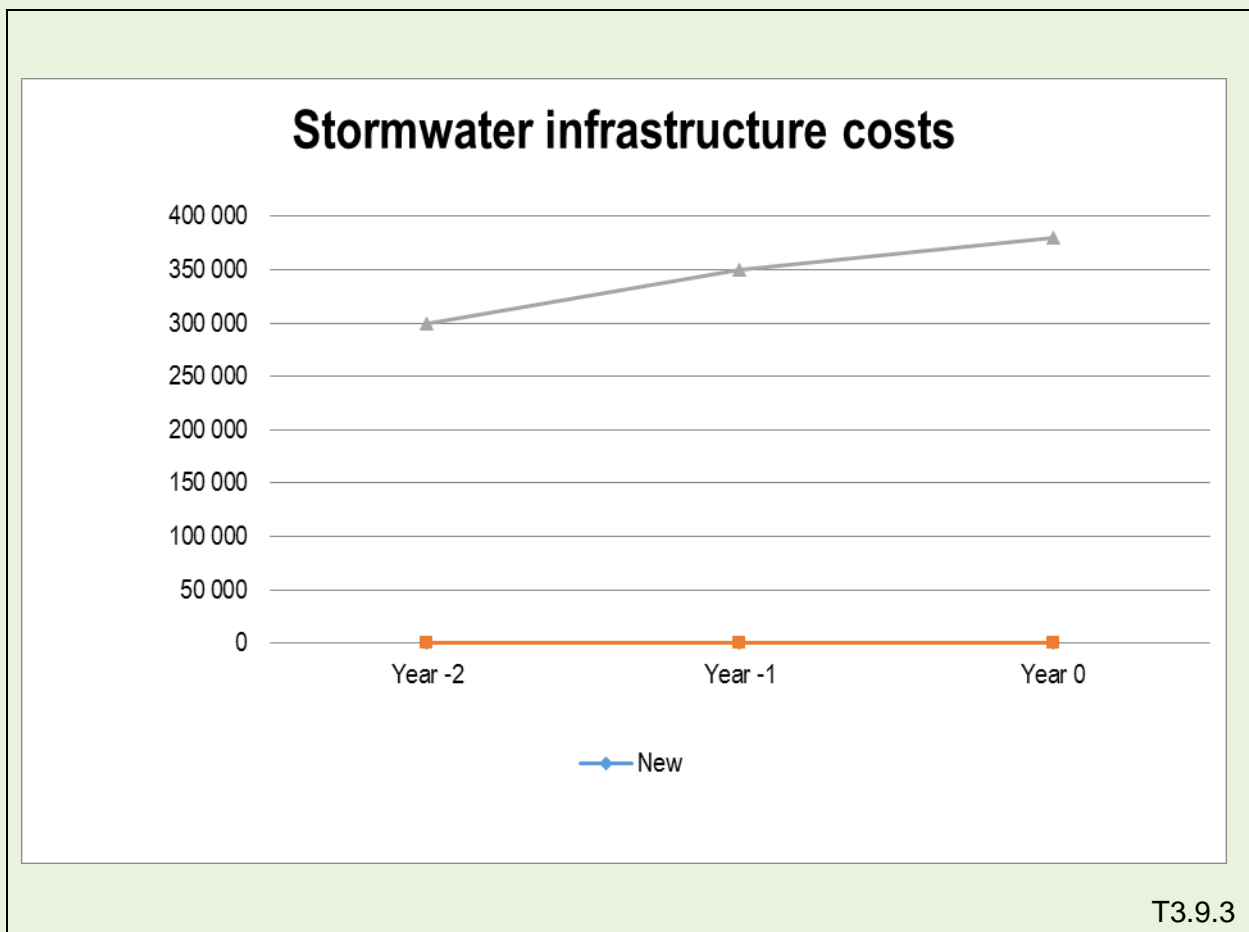
3.9 WASTE WATER (STORMWATER DRAINAGE)**INTRODUCTION TO STORMWATER DRAINAGE**

This Section deals with management of storm-water network system in terms of upgrade and maintenance to discharge the storm-water in a safe manner and to also prevent flooding of properties.

T3.9.1

Stormwater Infrastructure				
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -2	5	0	0	5
Year -1	6	0	0	6
Year 0	0	0	0	8
				T 3.9.1

Cost of Construction/Maintenance			
R' 000			
	Stormwater Measures		
	New	Upgraded	Maintained
Year -2	0	0	350,000
Year -1	0	0	380,000
Year 0	0	0	506 666.67
T 3.9.2			



Stormwater Policy Objectives Taken From IDP						
Service Objectives	Indicators	Year -1		Year 0		
		2016/2017		2017/2018		
		Target	Actual	Target		Actual
<div></div> <div>Service Indicators</div>		*Previous Year		*Previous Year	*Current Year	
Service Objective xxx						
To improve access to roads and pavements	Number of meters of pavements and storm water drains constructed in Pine Street	N/A	N/A	N/A	1000m	0m
	Number of meters of pavements and storm water drains rehabilitated	N/A	N/A	N/A	1500m	0m
T 3.9.4						

Employees: Storm water Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	1	5	1	4	80%
7 - 9	2	3	2	1	33%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	8	3	5	113%
					T3.9.5

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Due to financial constraints, the available funding is insufficient to address storm water issues. The financial performance is included in the roads department budget.

T3.9.6

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The main problem facing Umvoti Municipality can be described broadly as underdeveloped economic base and lack of sufficient diversity in the nature and structure of the local economy. Agriculture is the main economic activity; however there is limited processing of agricultural products taking place within Umvoti municipal area. The other challenges faced by Umvoti Local Economic Development and Tourism are as follows:

- The Tourism opportunities are not exploited
- Capacity to manage and steer local economic development
- No marketing strategy to draw investors to the Umvoti area
- Dilapidated infrastructure

T3.10.0

3.10 PLANNING

INTRODUCTION TO PLANNING

The Planning and Economic Services Department focuses on the following services: town planning, land use management, integrated development planning, building regulation and enforcement, local economic development, tourism and housing. The Department is fully functional and the municipality is participating in the District Shared Services in order to meet the requirements of the Spatial Planning and Land Use Management Act requirements.

T3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	Year -1	Year 0	Year -1	Year 0	Year -1	Year 0
Planning application received	3	0	10	5	0	0
Determination made in year of receipt	3	0	10	5	0	0
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	1	0	0	0
Applications outstanding at year end	0	0	1	5	0	0
T3.10.1						

Planning Policy Objectives Taken From IDP						
Service Objectives	Indicators	Year -1 2016/2017		Year 0 2017/2018		
		Target	Actual	Target		Actual
		*Previous Year		*Previous Year	*Current Year	
Service Objective xxx						
To ensure efficient and credible strategic & spatial municipal planning	Date 2018/19 IDP Process Plan adopted	N/A	N/A	N/A	28 August 2017	31 August 2017
	Date Draft 2018/2019 IDP Review for approved	N/A	N/A	N/A	28 March 2018	28 March 2018
	Date 2018/19 IDP Review adopted	N/A	N/A	N/A	30 June 2018	28 June 2018
	Number of IDP/Budget Roadshows held before 30 April 2018	N/A	N/A	N/A	1	36
	Number of implementation reports submitted (SPLUMA)	4	4	4	4	4
	Number of implementation reports submitted (National building standards)	4	4	4	4	4
	Date reviewed Spatial Development framework adopted	30 June 2017	30 June 2017	30 June 2017	31 May 2018	28 June 2018
T 3.10.2						

Employees: Planning Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	2	0	0	0%
4 - 6	0	1	0	0	0%
7 - 9	2	1	2	0	0%
10 - 12	1	1	1	1	0%
13 - 15	2	1	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	6	6	5	1	0%
					T3.10.3

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The Planning function performed relatively well against the budget provisions for the financial year in question. There were no over and/or under expenditure reported for the planning function. Funding constraints to meet the functional area priorities continue to be a generic challenge across the institution.

T3.10.4

LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The Local Economic Development (LED) strategy was reviewed with the assistance of KZN-SALGA and the Department of Economic Development, Tourism and Environmental Affairs though the review was not completed. The municipality is currently reviewing the LED Strategy internally with the assistance of the Department of Cooperative Governance and Traditional Affairs. The Municipality has introduced a programme called Umvoti Siyasebenza in order to support SMMEs and Cooperatives. The Municipality is also strengthening relationships with local businesses in order to ensure that economic development challenges are addressed. The LED Forum has been established and is functional. The Informal Economy is also considered by the Municipality as an important sector of the economy and the Municipality is currently outsourcing funds in order to formalise this sector. The Informal Economy Policy is in place and the Informal Economy Chamber has been established.

T3.11.1

Economic Activity by Sector			
R '000			
Sector	Year -2	Year -1	Year 0
Agric, forestry and fishing	2	1.5	1.5
Mining and quarrying	6	5	5
Manufacturing	56	58	58
Wholesale and retail trade	45	51	51
Finance, property, etc.	51	48	48
Govt, community and social services	23	25	25
Infrastructure services	34	38	38
Total	217	226.5	226.5
T 3.11.2			

Economic Employment by Sector			
Sector	Jobs		
	Year 1 No.	Year -1 No.	Year 0 No.
Agric, forestry and fishing		13745	13 745
Mining and quarrying		928	928
Manufacturing		10587	10 587
Wholesale and retail trade		14 209	14 209
Finance, property, etc.		10 216	10 216
Govt, community and social services		39 007	39 007
Infrastructure services		13 931	13 931
Total		102 623	102 623
T 3.11.3			

COMMENT ON LOCAL JOB OPPORTUNITIES:

Agriculture is the main economic activity in Umvoti and this refers to both subsistence and commercial agriculture. The agriculture sector is the main contributor towards job creation within Umvoti municipal area. However processing of agricultural products produced in the municipal area is imperative. Diversification of agriculture can create more job opportunities if considered as an alternative. The Municipality is currently formalizing street trading in order to ensure that this sector is considered as an important sector in the economy of Umvoti municipal area. The Expanded Public Works Programme (EPWP) is also used by the Municipality as a job creation mechanism.

T3.11.4

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -2	1	634
Year -1	10	289
Year 0	1	183
* - Extended Public Works Programme	T 3.11.5	

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -2	38	n/a	38	timesheets and payroll
Year -1	66	n/a	66	timesheets and payroll
Year 0	200	0	200	timesheets and payroll
Initiative A (Year 0)				
Initiative B (Year 0)				
Initiative C (Year 0)				
T 3.11.6				

Local Economic Development Policy Objectives Taken From IDP						
Service Objectives	Indicators	Year -1		Year 0		
		2016/2017		2017/2018		
		Target	Actual	Target		Actual
				*Previous Year	*Current Year	
Service Indicators						
Service Objective xxx						
To create an environment conducive to economic growth and development	Number of jobs created through EPWP	160	183	160	125	151
	Number of jobs created through Capital projects	233	221	233	110	141
	Number of SMME's & Cooperatives Supported	20	97	20	15	329
T 3.11.7						

Employees: Local Economic Development Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	1	100%
10 - 12	1	1	0	0	0%
13 - 15	0	0	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	1	50%

LOCAL ECONOMIC DEVELOPMENT		
	BUDGET	ACTUAL
TOTAL OPERATING REVENUE(EXCLUDING TARIFFS)		
Expenditure		
Employees		
Repairs and maintenance		
Other	500,000	286,876
Total operational expenses	500,000	286,876
Net operational (service) expenditure		
Capital expenditure - L.E.D.		

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The Municipality reviewed its LED/Tourism Strategy in order to ensure that a plan is in place for guiding the implementation of local economic development projects and programs. An amount of R3 000 000-00 was set aside by the municipality during the 2017/2018 financial year for LED projects. This amount has been utilized to fund projects in both urban and rural areas. The implementation plan has been prepared as part of the LED Strategy. The funding for other projects will be outsourced in order to ensure that job opportunities are created.

T3.11.8

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The Municipality manages two Libraries (Greytown and Kranskop) and one museum in Greytown. The municipality also manages community halls and crèches situated in both urban and rural areas.

T3.12.0

3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

3.12.1 Libraries

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

3.12.1 Libraries

The Municipality has two fully functional libraries, in Greytown and Kranskop with 11 full time employees and 2 employee who serves as a relief in case there is shortage of staff. There is a need to extend Greytown Library since there is a proposed FET in the area. The KZN Department of Arts and Culture: Library Services provides support in terms of grant funding and workshops for staff.

There is also a need to resuscitate the old Enhlalakahle Township Library in order to cater for the communities including France, Angola and Solomon Mzolo Village (497 sites) as well as schools within the township which are Tholinhlanhla Primary School and Buhlebuyeza High School.

Muden as one of tertiary town within Umvoti municipal area has a number of schools, hence there is a demand for a library.

3.12.2 Archives/Registry

The Municipality has a fully functional registry with 4 staff members. The municipal has an approved Filing System Procedure Manual. The section has a challenge of space to keep files and archives.

3.12.3 Museum

The museum has a Museum Assistant/Supervisor, General Assistant and Security Guard. It is open five (5) days a week as well as by appointment on Saturdays and Public Holidays. The KZN Department of Arts and Culture: Museum Services provides support in terms of grant funding.

3.12.4 Community Facilities

Sport Facilities

The Municipality in partnership with the Department of Sports and Recreation is in the process of upgrading Lakhi's Sports field utilising MIG funding.

Community Halls

Regular repairs and maintenance have been conducted on the community halls during the year under review.

King Edward Park/Acacia Park

The King Edward Park serves as both a Park and a sports complex in Greytown. Lots of activities take place during the week and on weekends. On weekends the local football association and schools utilise the fields for their games. The Municipality is in the process of upgrading Acacia Park utilising MIG Funding.

T3.12.1

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

In the year 2017/18 the recorded members of the two libraries were as follows:

Adults	Young Adults	Juveniles	Total
1368	295	278	1941

Museum

In the year 2017/2018 the recorded local and international visitors at the museum were as follows:

Local		Internationals	
Children	Adults	Children	Adults
992	4056	00	42

T3.12.2

Service Objectives	Indicators	Year -1 2016/2017		Year 0 2017/2018		
		Target	Actual	Target		Actual
		*Previous Year		*Previous Year	*Current Year	
Service Indicators						
Service Objective xxx						
N/A	N/A	N/A	N/A	N/A	N/A	N/A
T 3.12.3						

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	4	7	2	0	0%
4 - 6	0	0	14	0	0%
7 - 9	8	11	3	0	0%
10 - 12	2	2	5	0	0%
13 - 15	0	0	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	14	20	25	0	0%
T 3.12.4					

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

The year ending on 30 June 2018 has seen the following achievements:

Library staff attended four Book Exchanges and three Interest Group Forums. The Chief Librarian attended one Conference hosted by the Department of Arts and Culture.

The Museum Curator attended a Curator's Workshop hosted by KZN Museum Services whilst the Museum Assistant attended an Archives and Records Course conducted by the Department of Arts and Culture.

Lake Merthley is one of the places which attracts tourists and there is a need to resuscitate it in order to generate income for the Municipality. The renovation of chalets in the lake will also attract visitors.

T3.12.7

3.13 CEMETORIES AND CREMATORIUMS

INTRODUCTION TO CEMETORIES & CREMATORIUMS

The Municipality currently operates two cemeteries. The Kranskop cemetery has reached its full capacity.

The Greytown cemetery acts as a regional cemetery for the entire Umvoti area. It is being developed in stages, with stage one completed and is almost 100% filled to capacity. Stage two has reached its full capacity. The new burial sites are ready for operation.

T3.13.1

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS

There are three (3) cemeteries within the urban areas of Umvoti Municipality: Kwagijima, Kranskop and Muslim and all are fully functional.

T3.13.2

Employees: Cemeteries and Crematoriums					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	2	0	0%
T3.13.6					

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

There were no major capital projects for cemeteries and crematoriums undertaken during the year under review.

T3.13.7

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Umvoti Municipality acknowledges challenges facing vulnerable groups and community development. The Special Programmes have been identified as imperative and the municipality has established the Special Programmes Unit within the office of the Municipal Manager.

Umvoti Municipality intends formulating a Gender Equity Programme. It is envisaged that this Programme will promote the municipality where women and men have equitable access to opportunities and resources to address and meet socio-economic needs and improve the quality life of the community. In order to ensure effectiveness of the said Programme, a Gender Forum will need to be established and all municipal wards will have to be presented. This will assist the Umvoti Municipality to increase the participation of marginalised or target groups in all developmental processes.

T3.14.1

SERVICE STATISTICS FOR CHILD CARE

The municipality has built crèches across the eleven wards. The municipality is currently managing fifteen (15) creches. Some of the crèches were built by other organisations. The Department of Social Development through its Early Childhood Development Sub-Programme provide grants for the crèches in order to ensure their sustainability. The number of creches has increased due to the increase to the number of municipal wards from 11 to 14. The municipality is still undertaking an assessment of the child care centres in the new wards.

T3.14.2

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP						
Service Objectives <i>Service Indicators</i>	Outline Service Targets	Year -1 2016/2017		Year 0 2017/2018		
		Target	Actual	Target		
		*Previous Year		*Previous Year	*Current Year	Actual
<i>To promote social cohesion and address the needs of vulnerable groups</i>	<i>Date 2018/2019 special programmes plan reviewed and adopted</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>30 June 2018</i>	<i>0</i>

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

The municipality has built crèches across the eleven wards. Some of the crèches were built by other organisations. The Department of Social Development through its Early Childhood Development Sub-Programme provide grants for the crèches in order to ensure their sustainability. The number of creches has increased due to the increase to the number of municipal wards from 11 to 14. The municipality is still undertaking an assessment of the child care centres in the new

The municipality needs to develop a Programme for Women Empowerment. There are several programmes rendered by other government departments that the municipality need to align its programmes with. The municipality has budgeted for Women Empowerment however there is no plan of action of how these funds will be spent.

The municipality does not have a programme for the elderly people. The Provincial Department of Social Development has a sub-programme for the elderly people. The objective of the programme is to provide community based care and support to older persons. In terms of the information received from the Department, there are seven (7) organisations funded for the old age: the six are luncheon clubs and one is an Old Age Home.

Currently the municipality does not have a programme for People Living with Disability. The municipality assist the disabled on adhoc basis. However; the municipality has leased a property to the Umvoti People Living with Disability Organisation disabled free of charge for their coffin manufacturing project and other related activities. This organisation has received funds from the Provincial Department of Social Development. There are disabled people serving as ward committee members.

T3.14.4

COMPONENT E: ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The Municipality has established working relationships with Mondi in order to protect the environmental sensitive areas close to municipal properties leased by Mondi. Ezemvelo KZN Wildlife is also working close with the Municipality regarding the environmental services rendered by this organisation such as the Stewardship Biodiversity Programme. Umvoti Environmental Group has been formed and has made its intention to work with the Municipality to address environmental concerns. The Department of Economic Development, Tourism and Environmental Affairs has also committed itself in supporting the Municipality to address environmental challenges.

T3.15.0

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

The municipality does not have major pollutants in its area of jurisdiction. The municipality does not have an established environmental unit. There is no pollution control unit in place. The municipality is assisted by the Department of Economic Development, Tourism and Environmental Affairs in dealing with environmental compliance.

T3.15.1

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

The Municipality entered into partnership with Ezemvelo KZN Wildlife in order to ensure that Lake Merthley is protected as the main natural resource for Umvoti Municipality. The KZN Biodiversity Stewardship Programme was introduced by Ezemvelo KZN Wildlife in order to proclaim Lake Merthley as a Nature Reserve. The Draft Lake Merthley Management Plan was prepared by Ezemvelo KZN Wildlife, Municipality and Mondi in order to ensure that the Lake is managed properly. It identifies environmental friendly uses for the Lake and also addresses issues of monitoring and evaluation for the Lake. The MEC for Agriculture and Rural Development has approved the proclamation and the formal agreement needs to be finalised by the Municipality and Ezemvelo KZN Wildlife. The agreement has not been signed to date and the municipality is resuscitating engagements with Ezemvelo KZN Wildlife.

T3.16.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

The Municipality has obtained biodiversity information from Ezemvelo-KZN Wildlife. It is the intention of the Municipality to work in partnership with the Department of Economic Development, Tourism and Environmental Affairs and Ezemvelo KZN Wildlife in order to ensure proper conservation of biodiversity.

T3.16.2

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

Umvoti Municipality has identified capital projects that relates to bio-diversity and landscape. Lake Merthley Development Project has been identified in both the municipal IDP and Lake Merthley Development Plan as an important project for biodiversity protection. The other projects identified are the Wetlands Rehabilitation and Umvoti Greening and Beautification Project. The Municipality does not have financial resources to fund these projects. It is the intention of the municipality to outsource funding for these projects in order to ensure that they are implemented.

T3.16.3

COMPONENT F: HEALTH**INTRODUCTION TO HEALTH**

The municipal area comprises of both Permanent Primary Health Facilities as well as mobile stations. The construction of the Muden Health Care Facility situated in ward 11 was completed in the 2016/2017 financial year. The school health programme is currently being implemented and there is one team that is operating under school health. There are three mobile teams operating in Umvoti Municipal area with sixty (60) stopping points that are servicing a minimum of two thousand (2000) people. The challenge faced by the mobile teams relate to lack of shelters, poor road conditions and poor network coverage in outlying areas.

T.3.16.4

3.17 CLINICS

INTRODUCTION TO CLINICS

The clinics are no longer the function of the Municipality as they were transferred to the Department of Health as at 1 July 2012. There was no capital projects budgeted for in the 2017/2018 budget.

T3.17.1

3.18 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE SERVICES

The Ambulance Services is administered by Department of Health.

T3.18.1

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABBATOIR LICENSING AND INSPECTIONS, ETC

This function is no longer a local competence and is being carried out by the District Municipality who will be reporting on said function.

T3.19.1

COMPONENT G: SECURITY AND SAFETY

INTRODUCTION TO SECURITY & SAFETY

Safety and Security is one of the important aspects in the organisation. The Municipality has been outsourcing municipal security for a number of years. The Municipality has established its own security unit as from 1 July 2013. This unit is meant to ensure safety in all municipal assets, staff members and community at large. The Municipality is currently rolling out a CCTV Camera Project within the CBD to deal with issues of crime. A service provider has been appointed and it is anticipated that the project will be completed in March 2019.

T3.14.0

3.20 POLICE

INTRODUCTION TO POLICE

The Municipality has managed to increase the number of Traffic Officers by permanently employing fourteen (14) Officers who had been on a month to month contract. The employment of these officers has assisted the Municipality to improve law enforcement in town. The services such as road blocks, attendance of accidents and complaints, escorting abnormal vehicles etc. has improved as compared to the previous years. The Law Enforcement Unit has formed partnerships such as the Road Traffic Inspectorate, SAPS, Umvoti Taxi Association to enforce traffic laws and improve the safety of road users. The Municipality runs a functional Driver's Licence and Vehicle Test Station which is aimed at enhancing safety of road users.

.20.1

Police Policy Objectives Taken From IDP						
Service Objectives	Indicators	Year -1 2016/2017		Year 0 2017/2018		
Service Indicators		Target	Actual	Target		Actual
				*Previous Year	*Current Year	
Service Objective xxx						
To provide a safe and conducive environment	Number of road blocks conducted	48	54	48	48	54
	% of accidents responded to within 2 hours turnaround time	100% within 2 hours	100% within 2 hours	100% within 2 hours	100% within 2 hours	100% within 2 hours
T 3.20.2						

Employees: Police Officers					
Job Level	Year -1	Year 0			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy	0	1	0	1	100%
Other Police Officers					
0 - 3	0	0	0	0	0%
4 - 6	40	0	45	0	0%
7 - 9	8	26	14	0	0%
10 - 12	26	9	25	2	0%
13 - 15	1	0	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	75	36	85	3	8%
T 3.20.4					

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

The employment of these officers has assisted the Municipality to improve law enforcement in town. The services such as road blocks, attendance of accidents and complaints, escorting abnormal vehicles etc. has improved as compared to the previous years. The Municipality has prioritised the upgrade of the Greytown Testing Station in the 2016/2017 IDP, as one of the main capital projects. It is anticipated that the upgrade of the station will improve this service for Umvoti municipal area as well as neighbouring municipalities such as Msinga, Maphumulo, Inkandla and Mshwathi. This service will also contribute to the increase of municipal revenue. Financial aspects are currently being reported under the Rates and General Services account.

T.3.20.3

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

Umvoti Fire and Rescue is the unit that is dealing with fire in Umvoti Municipality. It is well established with 20 firefighters and Fire Chief Officer. This unit provides the service to both urban and rural areas. The fire awareness campaigns are conducted in communities and schools. Fire inspections and issuing of fire compliance certificates are the responsibilities of this section.

Since this service has been taken over, the relationship with most stakeholders has been improved, such as 911. The Municipality membership with Umvoti Fire Protection Association is still maintained.

T3.21.1

Employees: Fire Services					
Job Level	Year -1	Year 0			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy	1	1	1	0	0%
Other Fire Officers					
0 - 3	0	0	0	0	0%
4 – 6	16	16	16	0	0%
7 - 9	4	4	4	0	0%
10 - 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	21	21	21	0	0%
T 3.21.2					

Fire Service Policy Objectives Taken From IDP						
Service Objectives <i>Service Indicators</i>	Indicator	Year -1 2016/2017		Year 0 2017/2018		
		Target	Actual	Target		Actual
				*Previous Year	*Current Year	
Service Objective xxx						
<i>To ensure effective disaster management/fire</i>	% Disaster/incidents responded to within 72 hours turnaround time	100% within 72 hours	100% within 72 hours	100% within 72 hours	100% within 72 hours	100% within 72 hours
	Number of implementation reports submitted	4	4	4	4	4
	Number of Disaster Management Forum meetings	4	3	4	4	3
T 3.21.3						

Employees: Fire Services					
Job Level	Year -1	Year 0			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy	1	1	1	0	0%
Other Fire Officers					
0 - 3	0	0	0	0	0%
4 - 6	16	16	16	0	0%
7 - 9	4	4	4	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	21	21	21	0	0%
T 3.21.2					

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

There were no major capital projects that were budgeted for in the 2017/2018 financial year. However, there is capital budget for small tools and equipment. Financial aspects are currently being reported under the Rate and General Services account. Overall performance is rated very well. Fire engine is the only problem under this unit. Manpower is satisfactory.

T3.21.5

3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Umvoti Municipality has established a Disaster Operational Office. It is responding to all the cases of unforeseen incidents occurring as a result of natural and manmade causes. The most common incidents are caused by house fires, veld fires, storm damages, strong winds, drought, lightning and heavy rains. The recovery measures undertaken by the Municipality include blankets, plastic sheets, Wendy houses, sponge mattresses, supply of tents to the affected families and lightning conductors.

No Disaster grant was received during this financial year.

SPCA is currently the service provider that is utilised by the Municipality to impound domesticated animals within its area of jurisdiction. Negotiations for establishment of animal pound are in progress. COGTA has given deadline for completion of animal pound processes.

T3.22.1

Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc Policy Objectives Taken From IDP						
Service Objectives <i>Service Indicators</i>	Indicator	Year -1 2016/2017		Year 0 2017/2018		
		Target	Actual	Target		Actual
				*Previous Year	*Current Year	
Service Objective xxx						
To ensure effective disaster management/fire	% Disaster/incidents responded to within 72 hours turnaround time	100% within 72 hours	100% within 72 hours	100% within 72 hours	100% within 72 hours	100% within 72 hours
	Number of implementation reports submitted	4	4	4	4	4
	Number of Disaster Management Forum meetings	4	3	4	4	3
T 3.22.3						

Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	3	3	2	1	33.3%
10 - 12	0	0	0	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	4	3	1	25%
T 3.22.2					

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

The Municipality is currently investigating means of establishing a municipal pound. Financial aspects are currently being reported under the Rates and General Services account. Disaster Management Unit is one of the best performing in our District and the Province. The unit under staffed.

T3.22.7

COMPONENT H: SPORT AND RECREATION

INTRODUCTION TO SPORT AND RECREATION

Sports plays an important role in promoting social cohesion, nation building and healthy lifestyle. The municipality also encourages wards participation in all sporting codes by allocating budget towards sports programmes.

The Municipality provides sport field facilities to accommodate all the activities which are planned as part of sports and recreation, however the Municipality faces the following challenges:

- Shortage of well-equipped sports facilities in all wards
- Shortage of sports equipment
- Lack of monitoring of existing associations

Even though the above remains a challenge; the Municipality regularly organise sporting events that include SALGA games, Mayoral Cup, Work and Play and Workers Day. There are two marathons (J G Zuma Marathon and Muden Marathon) which are held within Umvoti Annually and attract athletes from various provinces and other countries.

T3.23.0

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc.

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

T3.24.0

3.24 EXECUTIVE AND COUNCIL

INTRODUCTION TO EXECUTIVE AND COUNCIL

The primary role of the Municipal Council is that of political oversight of the Municipality's functions, programmes and the management of the administration. All the powers of local government are vested in the Municipal Council. It has the power to make by-laws (legislative authority) and the power to put those laws into effect (executive authority). The Municipal Council has executive and legislative authority over the matters set out in part B of schedule 4 and schedule 5 of the Constitution of the Republic of South Africa 108 of 1996. The Municipality may also administer any other matter assigned to it by national or provincial legislation.

Powers and duties of Municipal Council

The Municipal Council must:

- (a) Provide democratic and accountable government for local communities.
- (b) Ensure the provision of service to communities in a sustainable manner.
- (c) Promote social and economic development.
- (d) Encourage the involvement of communities and community organisations in the matter of local government.

Powers and duties of Executive Committee:

The Executive committee is responsible for ensuring that the resources at the disposal of the Municipality are used in a way that meets the variety of needs of local citizens. The Executive Mayor or Executive Committee must:

- (a) Identify the variety of needs that exist in the Municipality.
- (b) Review and evaluate those needs in order of priority.
- (c) Develop strategies, programmes and services to address priority needs.
- (d) When formulating strategies applicable to National and Provincial developments plans must be taken into account. These strategies, along with revenue and expenditure estimates, must be recommended to the municipal council.
- (e) Recommend the best methods, including partnerships and other approaches to deliver those strategies, programmes and services for the maximum benefit of the community.

T3.24.1

COUNCIL MEETINGS:

2017/2018 Financial Year

17 July 2017

31 August 2017

05 October 2017

26 October 2017

7 December 2017

14 December 2017

31 January 2018

28 February 2018

09 March 2018

28 March 2018

30 May 2018

26 June 2018

EXECUTIVE COMMITTEE:

2017/2018 Financial Year

14 July 2017

28 August 2017

11 September 2017

23 October 2017

27 October 2017

30 November 2017

14 December 2017

27 February 2018

27 March 2018

30 May 2018

25 June 2018

T3.24.2

The Executive and Council Policy Objectives Taken From IDP						
Service Objectives	Indicator	Year -1 2016/2017		Year 0 2017/2018		
		Target	Actual	Target		Actual
				*Previous Year	*Current Year	
<i>Service Indicators</i>						
Service Objective xxx						
To ensure that Council is functioning effectively and efficiently	Number of Council meetings convened	4	9	4	4	10
	Number of EXCO meetings convened	12	6	12	12	10
	Number of MPAC Meetings convened	4	2	4	4	3
						T 3.24.3

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The following is a summary of the major service delivery initiatives which were prioritized, planned and executed for the period under review:

CATEGORY OF SERVICE	AMOUNT
Infrastructure Provision: Electricity	R23 511 955.82
Infrastructure Provision: Roads	R3 774 963.36
Infrastructure Provision: Community Facilities	R11 213 607.16
Infrastructure Provision: Electricity High Mast	R5 369 382.92

T3.24.4

3.25 FINANCIAL SERVICES**INTRODUCTION FINANCIAL SERVICES**

The following budget principles and guidelines directly informed the compilation of the 2016/2017 MTREF:

- The 2016/2017 budget priorities and targets, as well as the base line allocations contained in final Budget were adopted as the upper limits for the new baselines for the 2016/17 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk

electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

had a mammoth task of having to balance the budget between the limited revenue sources available against the demand to provide quality yet affordable services to our communities but of greater challenge addressing the historical infrastructure backlogs in our communities.

- This task had to be undertaken amidst persistent challenges of escalating high debts and declining collection rates, historic over expenditure patterns, recent review of the employee wage bill which saw our employee related cost double to historic extremes.

- Compounding to these budget challenges was the recent demarcation process which has brought about added financial implications which includes but not limited to an increase ward committee expenditure, councillor remuneration as well as additional service delivery needs of the wards recently incorporated into the Umvoti Jurisdiction. The balancing act between all these factors was indeed not one which could easily be achieved.

- The broader economic factors that were at the helm of the compiling of the Final Budget for 2016/17 which are contained in the Municipal Budget Circular 80 for the Medium Term Revenue and Expenditure Framework.

T3.25.1

Financial Service Policy Objectives Taken From IDP						
Service Objectives <i>Service Indicators</i>	Indicators	Year 0 2016/2017		Year 1 2017/2018		
		Target	Actual	Target		Actual
				*Previous Year	*Current Year	
Service Objective xxx						
<i>To ensure achievement of expenditure target</i>	% procurement plan expenditure targets as contained in the procurement plan	n/a	n/a	N/A	95%	46%
<i>Optimal revenue collection</i>	% of collection of debtors in respect of service billing	80% - 95%	80.26%	80%-95%	80-95%	92%
<i>Improved budget implementation in the municipality</i>	date 2018/2019 annual budget adopted	N/A	N/A	N/A	31 May 2018	30 May 2018
T 3.25.3						

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

The main challenges experienced during the compilation of the 2016/17 MTREF have not changed to those experienced in the previous financial year as well as the budget review process, for ease of reference they have been summarized as follows:

- The on-going difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Additional staff request from management without any due diligent studies being conducted and the establishment of a security and disaster section.
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2014/15 MTREF process; and
- Availability of affordable capital/borrowing.
- The restructuring of the organization.
- Obtaining council resolutions as there is a continuous walk out by Councillors.
- Poor prioritization of projects.
- The collection of outstanding debtors is alarmingly high and requires that far more attention is needed to be paid to minimising debt at an early stage, that is, before it reaches 90 days

T3.25.4

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources Section is under the Department of Corporate Services. This section deals with recruitment and selection, employee benefits, skills development and conditions of service. As at 30 June 2017, the municipality had a staff complement of 382.

Recruitment

The municipality was able to fill in 36 vacancies from 01st July 2017 to 30 June 2018 by and some of these posts were very critical and part of essential services.

Skills Development

Municipal employees benefited from the municipality's training budget, and the following trainings were covered during the 2017/2018 financial year:

Course Name	Skills Area	Type of Intervention
Introduction to Project Management Technical		Skills Programme
Project Management	Technical	Skills Programme
Municipal Budgeting Learning	Finance	Structured
Municipal Finance Management Programme	Admin, Legal & Finance	PIVOTAL
Contract Drafting Master class	Technical	Skills Programme
Occupational Health & Safety	Safety	Skills Programme
Fleet Management	Admin	Skills Programme
Municipal Public Accounts &	Finance	Skills Programme

Risk Management		
Community Based Participation	Admin	Skills Programme
Payroll & Tax Reconciliation	Finance	Skills Programme
Technical Report Writing Skills	Technical	Skills Programme
Basic Plumbing	Technical	Skills Programme
Report Writing & Minutes Taking	Admin	Skills Programme
Introduction to Local Government	Finance	PIVOTAL
Accounting		
Security Training	Public Safety	PIVOTAL
Advanced Local Government	Finance	PIVOTAL
Accounting Certificate		
		T3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

STAFF APPOINTMENT AND TERMINATION

2017/2018 Financial Year

Thirty- six vacant positions were filled in the 2016/2017 financial year whereby employees were appointed, absorbed and placed in each department as follows:

MM	Corporate	Technical	Community	Planning	Finance	Total
0	5	6	24	0	1	36

TERMINATION (RESIGNATION, DISMISSALS, MEDICAL BOARDING, RETIREMENT AND DEATH)

From the period 01st July 2016 to 30 June 2017, there were 19 employees who left the organization.

Resignation	Dismissal	Retirement	Contract Expiry	Medical Boarding	Death
6	0	3	3	2	5

2017/2018 Financial Year

Twenty-three vacant positions were filled in the 2017/2018 financial year per department as follows:

MM	Corporate	Technical	Community	Planning	Finance	Total
0	1	1	19	0	2	23

TERMINATION (RESIGNATION, DISMISSALS, MEDICAL BOARDING, RETIREMENT AND DEATH)

From the period 01st July 2017 to 30 June 2018, there were 15 employees who left the organization.

Resignation	Dismissal	Retirement	Contract Expiry	Medical Boarding	Death
1	0	7	1	1	5

Human Resource Services Policy Objectives Taken From IDP						
Service Objectives <i>Service Indicators</i>	Indicators	Year -1 2016/2017		Year 0 2017/2018		
		Target	Actual	Target		Actual
				*Previous Year	*Current Year	(vii)
Service Objective xxx						
<i>To improve institutional and organizational capacity</i>	Date employment equity report submitted to the Department of Labour	15 January 2017	13 January 2017	15 January 2017	15 January 2018	12 January 2018
	Date Skills Development Plan submitted to LGSETA (WPSP)	30 April 2017	30 April 2017	30 April 2017	30 April 2018	30 April 2018
	Amount of budget spent implementing WSP	R 1 650 000.00	R 1 823 977.76	R 1 650 000.00	R 2 016 613.76	R 983 091.29
T 3.26.2						

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Umvoti municipality has developed a number of Human Resource (HR) strategies and policies which include the following:

- Overtime Policy
- Recruitment and Selection Policy
- Sexual Harassment Policy
- S & T for Councillors
- S & T for Officials
- Cellular
- Housing Policy
- Subsistence and Travelling Policy
- Placement Policy
- Roles and Responsibilities of Political Structures, Political Office Bearers and the Municipal Manager for Municipal Officials
- Recruitment, Selection and Appointment Policy
- Remuneration Policy for Officials
- Overtime Policy
- Acting Allowance Policy
- Cell phone Policy
- Intoxicating and Substance Abuse Policy
- Relocation Policy
- Nepotism Policy
- Transfer Policy
- Retention Policy
- Funeral Policy
- Employment Equity Plan
- Re-imbursement of out of Pocket and Travel expenses for Councillors

T3.26.3

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

During the year under review there have been changes for the IT infrastructure in order to ensure maximum performance, Data integrity and Network reliability. The following upgrades were carried out during the year under review:

- Server Room Revamp
- Installation of Fire Suppression within the Server Room
- Server Room Monitoring
- LAN/WAN Optimization
- Introduction of NIC Teaming to improve Network & Processing throughput
- WAN Hardware Upgrade to improve speed to 450Mbps +
- Additional Backup Storage introduced
- Firewall and logging services upgraded
- Lightning and Water protection measures improved
- Offsite backup storage
- IT Asset Register established and maintained.
- Policies and procedures for relevant systems implemented

T3.27.1

SERVICE STATISTICS FOR ICT SERVICES

No statistical data is currently available as the Municipality has recently upgraded the IT infrastructure.

Employees: ICT Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%
T3.27.1					

ICT Services Policy Objectives Taken From IDP						
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1 2016/2017		Year 0 2017/2018		
		Target	Actual	Target		Actual
				*Previous Year	*Current Year	
Service Objective xxx						
<i>To enhance and ensure the effectiveness of the Information Communication Technology (ICT) Systems</i>	% I.T strategy implemented as per the annual plan	100%	86%	100%	100%	100%
T 3.27.3						

Chapter 3

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The ICT service at the Municipality is relatively stable and fully functional. The unit is performing core functions to ensure service delivery in a timely manner. Improvements have been made to the overall functionality of the unit and improvement has been noticed in both reliability and performance. The future and ongoing improvements include but not limited to:

- Progression to a paperless Environment
- Replacement of aging infrastructure
- Improving on Backup methods and offsite secure storage
- IT Governance and Strategies

T3.27.7

COMPONENT J: MISCELLANEOUS

INTRODUCTION TO MISCELLANEOUS

The Municipality owns forest plantations and were leased to MONDI. Mondi lease agreement expired end of September 2017 and was not renewed. The Municipality procured services of a local company, Bracken Timbers to manage the plantation for a period of one year

T3.28.0

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

Organizational Development performance focuses on improving organisational effectiveness, improving employee engagement, increase problem solving capacity and ability to manage change. The Municipality convened the Strategic Planning workshop in order to identify key factors and make assessment regarding the overall organizational performance in order to ensure service delivery.

T4.0.1

Chapter 4

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -1	Year 0			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	–		–	–	0.00%
Waste Water (Sanitation)	–		–	–	0.00%
Electricity	7	–	–	–	42.11%
Waste Management	49	19	15	4	0%
Housing	3	130	124	6	0.00%
Waste Water (Stormwater Drainage)	3	5	4	1	0.00%
Roads	10	7	6	6	27.27%
Transport	-	43	37	20	0.00%
Planning	5	-	-	-	42.86%
Local Economic Development	2	6	5	1	50.00%
Planning (Strategic & Regulatory)	–	2	2	1	0.00%
Local Economic Development	–	–	–	–	0.00%
Community & Social Services	63	–	–	–	100.00%
Environmental Protection	–				0.00%
Health	–				0.00%
Security and Safety	54				27.50%
Sport and Recreation	1				0.00%
Corporate Policy Offices and Other	51				18.07%
		43	35	8	
Total	248	461	254	194	416.40%

T4.1.1

Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	6	18	75%
Year -1	128	20	300%
Year 0	23	15	16%
			T 4.1.2

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The municipality prides itself with having developed policies and also ensuring correct implementation of collective agreements to ensure consistency with the country's legislation and other good practices. The municipality is still facing some challenges with the absenteeism and staff neglecting their duties during work hours and embark on their own personal activities.

The introduction of control measures such as strict supervision, forms of discipline and possibly the biometric access system to monitor time and attendance will ensure improved provision of basic services to communities of Umvoti Municipality at large.

Below are following policies which have also been developed as part of ensuring uniform practices and service conditions within the organization.

T4.2.0

Chapter 4

4.2 POLICIES

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

The policies highlighted in the table below have been prepared by the municipality and considered by Council:

No.	POLICIES	PROGRESS
1.	Rates Policy	Approved during 2016/2017 as part of budget submissions
2.	Supply Chain Management	Approved during 2016/2017 as part of budget submissions
3.	Fraud Prevention Policy	Approved UMS 62(2) DD 12/2/2009
4.	Credit Control and Debt Collection Policy	Approved during 2016/2017 as part of budget submissions
5.	Tariff Policy	Approved during 2016/2017 as part of budget submissions
6.	Risk Management Framework	Risk Management policy approved, UMS 150(15) DD 28/3/2013 To be reviewed annually
7.	E-mail Registry Policy Records Management Policy	Approved
8.	Study Aid Policy	Approved
9.	Placement Policy	Approved
10.	Subsistence and Travelling Policy	Approved UMS 62(2) 12/2/2009
11.	Roles and Responsibilities of Political Structures, Political Office Bearers and Municipal Manager for Municipal Officials	Approved
12.	Recruitment, Selection and Appointment Policy	Approved UMS 62(2) DD 12/2/2009

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13.	Overtime Policy	Approved UMS 62(2) DD 12/2/2009
14.	Informal Economy Policy	Approved
15.	Umvoti Immovable Property Disposal Policy Framework	Approved
16.	Communication Policy	Awaiting Council Approval
17.	Intoxicating and substance abuse policy	Awaiting Council Approval
18.	Relocation Policy	Awaiting Council Approval
		T4.2.11

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Chapter 4

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	5	1	0.52%	7	7175.97
Temporary total disablement	0	0	0%	0	
Permanent disablement	23	0	0%	0	
Fatal	0	0	0%	0	
Total	28	1	12%	7	7500
T 4.3.1					

Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	24	90%	10	30	0.15	0
Skilled (Levels 3-5)	40			22	0.26	26000
Highly skilled production (levels 6-8)	136			58	0.88	37000
Highly skilled supervision (levels 9-12)	6	95%	2	26	0.04	11000
Senior management (Levels 13-15)	230			11	1.48	17300
MM and S57	65			8	0.42	27000
Total	501	93%	12	155	3.23	133700
						<i>T 4.3.2</i>

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

No performance rewards were granted during the year under review.

T4.4.1.1

Chapter 4

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Learning is a continuous thing and the municipality will forever encourage employees to improve their knowledge for improved capacity, hence each employee is at liberty to enrol for either short course or formal qualification. Learning programmes cater for employees from senior managers to lower levels.

Municipal employees benefited from the Municipality's training budget, and the following trainings and workshops were attended by staff and councillors during the 2016/2017 financial year:

Course Name	Beneficiaries
Accredited Councillor Training Phase 2	Councillors
Councillor Development Programme NQF 3	Councillors
Municipal Planning and Performance Management	Councillors
Cherry Pick and Truck Mounted Crane NQF 3	Officials
Municipal Finance Management Programme NQF 6	Officials
Examiners Course	Officials
Supervisory Skills	Officials
Electrical Trade Test NQF 5	Officials
Pump Course for Fireman	Officials
Local Economic Development NQF 6	Officials
Disaster Management	Officials

The Municipality relies on internal budget to capacitate employees and a portion of grant funding from LGSETA also assist in carrying out the above function.

The Municipality provided study assistance to more than 100 tertiary students coming from Umvoti Municipality wards by paying in excess of R500 000.00 to various institutions of higher learning for those students who are in the process of obtaining qualifications.

The study assistance is not only limited to local government related studies, but covers all fields of study as students are experiencing difficulties in paying their fees

T4.5.0

Chapter 4

Chapter 4

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

In terms of the Minimum Competency Regulations, the following table indicates the number of unit standards required to be confirmed as competent for the various levels of officials as follows:

Grouping of Official per NT Regulations	Number of US Standards to be covered
Accounting Officer (Municipal Manager)	18
Chief Financial Officer	21
Senior Managers	16
Deputy Chief Financial Officer	15
Supply Chain Managers	15
Finance Management Interns	19
Middle Managers	15

The following officials have been enrolled with various accredited service providers appointed by the Municipality in order to meet the prescribed Minimum Competency Levels Regulations as promulgated in 2007 as follows:

Completed:

Director Planning and Economic Services
Acting Municipal Manager
Acting Chief Financial Officer
Acting Director Technical Services
Acting Director Community Services
Acting Director Corporate Services
Expenditure Accountant
Assistant Accountant Expenditure: Salaries
Assistant Accountant Income: Rates & Services
Payroll Administrator
Head: Disaster, Fire & Rescue Services
Head: Committees Administration
Assistant Manager Waste
Assistant Accountant: Credit Control
Assistant Accountant: Debtors
Head: Fleet Management
Rates and Services Clerk
Civil Engineering Technician
Supply Chain Practitioners
Budget Control Officer
Credit Controller
Acting Deputy Chief Financial Officer
Finance Interns x5

The municipality is looking to further extend the Municipal Finance Management Programme to other office based officials promoted through placement process.

T4.5.4

Chapter 4

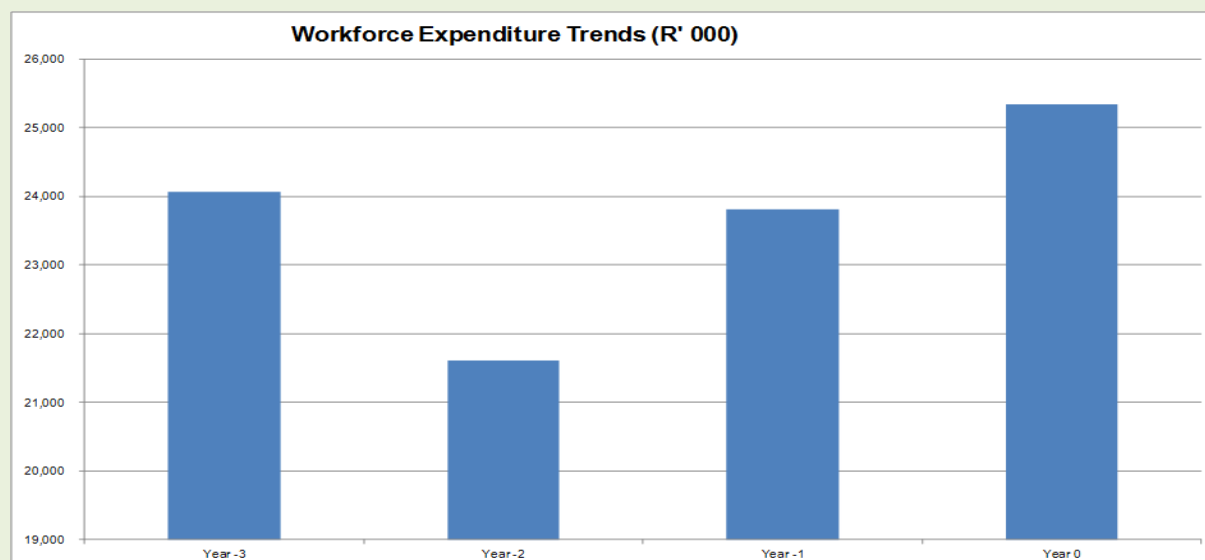
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The Municipality prepares its budget and align it with the organizational structure in order to respond to service delivery needs as per the priorities in the IDP. It is important for each and every head of department to do the budget control and manage workforce expenditure to avoid over expenditure. The Municipality will also ensure that value for money is obtained.

T4.6.0

4.6 EMPLOYEE EXPENDITURE



T4.6.1

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels 9-12)	Female	0
	Male	0
Senior management (Levels 13-16)	Female	0

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	Male	0
MM and S 57	Female	0
	Male	0
Total		0
T4.6.2		

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Nil				
T4.6.3				

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

There were no upgraded posts that were at variance with normal practice

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

All Staff and Councillors declare their financial interest on an annual basis and this information is then referred to the Accounting Officer for noting and to council for approval.

Chapter 4

T4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

OPERATING REVENUE

As at the end of the financial year the actual year to date operating revenue represented an amount of **R277 Million**. Whilst we have recorded overall favorable operating revenue when compared to the 2016/2017 financial year, it must be conservatively noted that a substantial portion of the operating revenue is made up of the operating grants, particularly the equitable share which contributes at least **38%** of the operating revenue. This is indicative of the fact that the municipality is largely dependent on grants and subsidies for its day-to-day operations.

Other additional operating revenue sources such include other sources such as **Property Rates, Electricity, and Refuse Removal, Interest on investments, rental Income, fines, licenses. The actual performance of these revenue sources indicate that** we ought to continue to apply strict conservative measures when projecting revenue sources, exercising caution against overly ambitious revenue projections as well ensuring that past performance of the revenue sources is a major factor of consideration. The requirement of exercising caution when in the revenue projections is informed primarily by the fact that the under-

Chapter 5

collection of revenue against the budgeted revenue sources, impacts directly on the expenditure projections to be funded from these revenue sources.

OPERATING AND CAPITAL EXPENDITURE

As the end of **30 June 2018** the actual year to date operating expenditure totaled an amount of **R274 million** when compared to the **R263 million** in the 2016/2017 financial year. The main operating expenditure categories comprises of categories such as **Employee Related Costs, Councilor Remuneration, and Bulk Purchases with the Employee Related Costs** recording the highest expenditure followed by the **Bulk Expenditure and other expenditure**. Substantial component of the Other Expenditure category is primarily the electrification programs implemented during the year under review

For the very first time in history, the municipality has managed to fully expend all the conditional grants allocation and furthermore, funding allocation for the preceding financial period has been fully committed.

5.1 DEBTORS MANAGEMENT

The summary report of the debtor's age analysis indicates that the debtors balance for property rates, electricity, refuse removal and rental income as at **30 June 2018** amounts to **R58 million** when compared to the **R51 million in the 2016/2017 financial year an increase of R7 million**. The Households Category contributes the largest amount followed by the Commercial Category. The increase of the outstanding debt is due to two main factors namely the increase of both rates of **6%**, electricity of **12**, **9%** refuse removal of **10%** during the approval of the **2017/2018** financial year and the main one and second one being the well as poor payment culture by consumers. There is also a capacity constraint within the credit control section. As well as inadequate debtor information which requires data cleansing.

It is common knowledge that we can only pay for our bulk services, maintain the existing infrastructure as well as fund our new infrastructure if our own revenue and credit control activities function effectively. The above therefore implies that effective credit control and debt collection are key to our sustained financial viability. This spiral increase of debtors continues to be a concerning trend and requires that a much more stringent debt collection and credit control process be considered to improve the debtor collection rate. In order for us to effectively support our budget on a yearly basis, we require a revenue collection rate of at least 85% to 95% to not only be achieved but maintained, This will enable us to provide services to the community in a sustainable manner and within the budget. Numerous interventions had been instituted, for instance, credit control policy review which incorporates incentive programmes, filling of posts within credit control section, development of the revenue enhancement strategy and implementation plan, establishment of revenue steering

Chapter 5

committee and the municipality has also advertised for service provider to undertake data cleansing and enrichment.

A detailed debtors Age Analysis of 2015/16, 2016/17 and 2017/18 is annexed.

T5.1.0

Chapter 5

Financial Service Policy Objectives Taken From IDP						
Service Objectives <i>Service Indicators</i>	Indicators	Year -1 2016-2017		Year 0 2017/2018		
		Target	Actual	Target		Actual
				*Previous Year	*Current Year	
Service Objective xxx						
Optimal Revenue Collection	% of collection of debtors in respect of service billings	80%- 95%	80%- 95%	80%- 95%	80%- 95%	92%
	% of reduction in the debtors book	20%	0%	20%	20%	0%
	% reduction in electricity distribution lossess	10 %	14.92%	10%	10%	23 %
T3.3.5						

Chapter 5

Assessment of arrears on municipal taxes and services:

As per sect 121 3(g)- the collection rate on municipal taxes and services had been fluctuating the entire financial year and numerous initiatives and measures had been implemented and those measures dealt with debt collection and management holistically, i.e. data cleansing process, establishment of revenue steering committee and capacity enhancement of the credit control unit. There are number challenges though, but, closely monitored by the municipality. The municipal taxes and services debtors for 2016/17 and 2017/18 are as follows:

DESCRIPTION	FINANCIAL YEAR	AMOUNT OWED	% INCREASE OR DECREASE
RATES AND TAXES	2016/17	R 56 466 357	16% Increase
RATES AND TAXES	2017/18	R 68 355 355	17% Increase

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5.2 Creditors Management

The municipality has complied with sect 65 of the MFMA in terms of processing all invoices within 30 days. There has been some challenges with the timeous submission of invoices to Budget and Treasury office by user departments and other service providers. The remedial measure to address this shortcoming, the municipality has created a centralised email for submission of invoices which is premised under creditors section and those departmental heads who happen to have invoices and delay submission have to draft a motivation detailing reasons thereon.

Umvoti Local Municipality									
Creditors Age Analysis									
Exclude Zero Balances						Report Date:		30-Jun-18	
Accounts Payable Age Analysis								Page 1 of	
Supplier	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance	
APH001 (APHELELE MULTIPURPOSE							170 000,00	170 000,00	
ARB001 (ARB	-19 796,10						29 836,75	10 040,65	
ARC003 (ARCH ACTUARIAL CONSULTING)							9 690,00	9 690,00	
AST001 (ASTRA TRAVEL)							205 983,68	205 983,68	
BAK002 (BAKHULULE GENERAL							108 266 91	108 266,91	
BAR002 (BARLOWORLD SOUTH AFRICA)							419,74	419,74	
KON001 (BIDV	32 846,98						5 816,67	38 663,65	
WAL001 (BIDVEST OFFICE)							510,77	510,77	
BRA001 (BRACKEN TIMBER)							509 548,08	509 548,08	
CAM001 (CAMELSA CONSULTING GROUP							1 249 395,40	1 249 395,40	
DUM002 (DUMASBUSE)							230 000,00	230 000,00	
EME001 (EMERGENCE GROWTH)							-900 000,00	-900 000,00	
EMERGENCY AFRICA SER (EMERGENCY							900 000,00	900 000,00	
ESE001 (ESETHU ISIPHO CONSTRUCTION							2 869 627,55	2 869 627,55	
ESK001 (ESK	96 068,35						6 649 011,60	745 079,95	
EVE001 (EXCELLECT 237)							36 100,00	36 100,00	
EYAMANZIMASE PROJECT							5 000,00	5 000,00	
FAR001 (FARMERS AGRI CARE)							31 050,00	31 050,00	
GRE002 (GREYTOWN BOOK SHOP)							3 677,80	3 677,80	
ILA001 (ILANGA)							4 121,30	4 121,60	
KANJALO BUSINESS ENT (KANJALO							127 000,00	127 000,00	

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T5.2.1

5.2 GRANTS

Chapter 5

OPERATING TRANSFERS AND GRANT RECEIPTS

KZN245 Umvoti - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		122,305	125,935	-	436	5,163	6,524	(1,361)	-20.9%	-
Local Government Equitable Share		104,498	112,887	-	-			-		
Integrated National Electrification Programme		15,000	9,329	-	-	3,182	4,665	(1,483)	-31.8%	
EPWP Incentive		1,007	1,849	-	214	1,263	925	338	36.6%	
Finance Management		1,800	1,870	-	222	719	935	(216)	-23.1%	
								-		
Other transfers and grants [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
								-		
								-		
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Other grant providers:		1,089	1,146	-	124	720	-	720	#DIV/0!	-
		183	192	-	38	224		224	#DIV/0!	
Museum		906	954	-	87	496		496	#DIV/0!	
Total operating expenditure of Transfers and Grants:		123,394	127,081	-	560	5,883	6,524	(641)	-9.8%	-
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		27,620	29,261	-	11,350	20,997	14,631	6,366	43.5%	-
Municipal Infrastructure Grant (MIG)		27,620	29,261	-	11,350	20,997	14,631	6,366	43.5%	
								-		
								-		
Other capital transfers [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
Total capital expenditure of Transfers and Grants		27,620	29,261	-	11,350	20,997	14,631	6,366	43.5%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		151,014	156,342	-	11,910	26,880	21,155	5,725	27.1%	-

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COMMENT ON OPERATING TRANSFERS AND GRANTS:

Transfers recognized operating grants includes the Local Government equitable share and other operating grants from both the National and Provincial Government.

Operational grants transfers amounted to an actual of **R140 million**, a substantial **51%** towards the total Operating Revenue Budget of **R295 million** during 2017/2018 .The transfers recognized operational, increased significantly from **R127 million** to **R140 million** in 2017/2018. The table above gives a breakdown of the various grants and subsidies allocated to the municipality over a medium term.

A detailed grant register is annexed which entail comprehensive details of grants allocations and expenditure movements and balances thereon.

T5.2.2

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital Programme was determined based on renewal of current assets versus new asset construction.

T5.3.1

COMMENT ON ASSET MANAGEMENT:

Improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

The municipality reviewed the policy as prescribed in the legislative requirements and the asset register fully complied with GRAP. The process to develop asset renewal plan is underway, the municipality has appointed the service provider to undertake asset conditional assessment which will inform the asset renewal plan and maintenance plan.

T5.3.3

Chapter 5

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

As at the end of June 2018 the actual Capital Budget is reflected below as follows

TOTAL CAPITAL EXPENDITURE	
BUILDINGS	1,599,175
INFRASTRUCTURE	11,143,425
COMMUNITY ASSETS	24,063,265
OTHER PPE	3,977,362
	40,783,227

The Capital budget actuals for the 2017/2018 financial year amounts to **R40, 783,227** across the various categories namely Building, Infrastructure, Community Assets and other PPE combined. A substantial portion of the capital revenue is funded primarily from Grants and subsidies particularly the Municipal Infrastructure grant. The municipality fully expended its allocation for the period and already committed all funds for the next financial year.

A significant decrease in the INEP grant from **R25m** allocation for 2016/17 reduced to **R15m** has negatively impacted on the planned programmes for rural electrification. Although the accounting treatment of this program is not under the capital expenditure category per say, due to the fact that immediately upon completion of the construction the projects are handed over to Eskom. The allocation had been fully utilized.

Although there are no out of the norm performance in the capital expenditure category, it still advisable that a more long term and sustainable approach be considered during the financial planning processes. This should entail a gradual commencement with an exercise of allocating a portion of the own internal resources towards the building of capital reserves for infrastructure investment so as to refrain from the practice of having such an important component of service delivery being so heavily reliant upon grant funding.

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5.6 SOURCES OF FINANCE

COMMENT ON THE SOURCES OF FINANCE

The primary funding sources of Umvoti comprise of the following sources largely

Operational Revenue & Capital Revenue

1. Grant Funding

- a. Equitable Share
- b. Conditional Grants:
- c. MIG

2. Own Revenue Sources

- a. Electricity Revenue
- b. Waste Management
- c. Property Rates
- d. Interest on Investments
- e. Licences and Fines
- f. Rental Income

It should be conservatively noted that whilst we have recorded an overall favourable operating revenue for the period in question, a substantial portion of the operating revenue is made up primarily of the operating grants, particularly the equitable share. Which is indicative of the fact that the municipality is largely dependent on grants and subsidies for its day-to-day operations. Other operating revenue sources such as Property Rates, Electricity, and Refuse Removal, continue to reflect a trend of under-performance.

However, items such as Interest on investments, rental Income, fines, licenses, operational grants are recorded on a cash basis and have recorded a relatively favourable performance this performance is suggestive of improvement in the accuracy of the budget estimates against these income sources. We must continue to apply strict conservative measures when projecting revenue sources, exercising caution against overly ambitious revenue projections as well ensuring that past performance of the revenue sources is a major factor of consideration. The requirement of exercising caution when in the revenue projections is informed primarily by the fact that the under-collection of revenue against the budgeted revenue sources, impacts directly on the expenditure projections to be funded from these

Chapter 5

revenue sources.

The impact of the non-collection of the billed property rates and electricity revenue contributes significantly on the alarming amount and upward spiralling of outstanding debt as reflected in the Debtors Age Analysis report. Although Council has commenced with initiating some debt collection and credit control efforts, which includes amongst other initiatives, review of credit control policy which incorporates incentive programmes and debtor's settlement agreements, development of revenue enhancement strategy and implementation plan, adequate capacitation of the credit control unit and process to appoint data cleansing and enrichment service provider is underway.

T5.6.1

Chapter 5

Capital Expenditure of 3 largest projects					
Name of project	Current year 0			Variance: Current year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
	R'000	R'000	R'000	(%)	(%)
Electrification 497 Sites	7 000	7 000	6 065	-13.36%	-13.36%
Urban Roads Rehabilitation	9 757	9 757	8 385	-14.06%	-14.06%
Rural Access Roads	4 590	4 590	3 784	-17.56%	-17.56%
Tsekane Sportsfield	1 850	1 850	2 696	45.73%	45.73%
Walkways Mall	0	0	2 346	100.00%	100.00%
Electrification 497 Sites					
	Objective of project				
	To supply electricity to the households in the new housing scheme.				
	Delays				
	No delays				
Urban Roads Rehabilitation	Future Challenges				
	Maintenance of the exposed infrastructure				
	Anticipated citizen benefits				
	Access by all households in the area to electricity.				
Rural Access Roads					
	Objective of project				
	To ensure roads in the Greytown CBD is at an acceptable standard				
	Delays				
	No delays				
Tsekane Sportsfield	Future Challenges				
	Maintenance of the roads, especially the main arterials				
	Anticipated citizen benefits				
	Movement around the urban area on good roads				
Walkways Mall					
	Objective of project				
	To provide access to communities to the roads infrastructure				
	Delays				
	No delays				
	Future Challenges				
	Maintenance of the roads outside the urban areas				
	Anticipated citizen benefits				
	Vehicular access to all amenities by the community.				
	Objective of project				
	To provide a sportsfield for the local community				
	Delays				
	No delays				
	Future Challenges				
	Maintenance of the facilities				
	Anticipated citizen benefits				
	Participation in sporting activities				
	Objective of project				
	To provide access for the community				
	Delays				
	No delays				
	Future Challenges				
	Maintenance and cleansing of the walkways.				
	Anticipated citizen benefits				
	Access for the community to the facility in all weather conditions				

Chapter 5

COMMENT ON CAPITAL PROJECTS

The Municipality is highly relying on consultants for Project Management, however irrespective of this challenge the Municipality managed to achieve 100% of MIG spending during the year under review.

T5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The percentage of people with access to electricity has increased from 67.63% in the previous years to **71.11%** in the year under review. The increase is due to the number of new connections done by the municipality and ESKOM as well as in fills completed by ESKOM. The number of people with access to water has increased to 62.8% during the year under review as a result of new schemes implemented by UMzinyathi District Municipality in rural areas.

T5.8.1

COMMENT ON BACKLOGS:

The MIG funding has assisted the Municipality to reduce the service delivery backlogs in the rural areas.

T5.8.4

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash and cash management is vital for both the short-term and long-term survival of the Municipality. It is essential that an effective cash management process is established that will contribute to a positive current ratio, whereby the municipality's turnaround of current assets in relation to current liabilities is at least 2:1. This ratio refers to the Municipality's ability to convert current assets into cash and settle current liabilities within a 12 months period.

Numerous interventions had been instituted in order to improve deteriorated cash reserves, and those measures are improving collection rate, establishment of cash flow committee which is entrusted with the responsibility of costs reduction and to also come up with intervention to reduce electricity losses.

FINANCIAL RATIOS			
	NORM	ACTUAL 2016/2017	ACTUAL 2017/2018
CASH COVERAGE	1 - 3 Months	3 Months	1 Month
CURRENT RATIO	2 : 1	1 : 1	1 : 1
SOLVENCY RATIO	20%	86%	87%

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Umvoti Municipality has settled DBSA loan in 2017/2018 financial year. However, currently exploring funding models for a conversion of the meters to prepaid and the borrowing is amongst the few options at the municipality disposal.

Chapter 5

T5.10.1

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

There were no Public Private Partnerships entered into with any organization during the year under review.

T5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was reviewed to be aligned with National Treasury's Regulations and it was adopted in May 2017 with the implementation date being the 1st July 2017. A system of managing all goods and services has been implemented to ensure that value for money is received when procuring goods or services.

1.1 Adequacy of personnel within SCM

- a) All officials in the Supply Chain Management unit have been trained on the functioning of the Supply management processes. All members of the committee underwent an SCM training during the year under review to enhance their Technical Skills in the discharging of their core functions including the SCM personnel.

2. Functioning Of Bid Committees

The Accounting Officer has as per section 26 of the Supply Chain Management regulations appointed the following committees:

- a) Bid Specification Committee
- b) Bid Evaluation Committee

- c) Bid Adjudication Committee

Chapter 5

The bid committees were constituted to be in line with treasury regulations and Section 27-29 of the approved SCM policy.

2.1 Adequacy of Bid Committee meetings

- a) The SCM unit can report that the Bid Committees recently constituted performed adequately well for period under review. The development of schedule of meetings greatly assisted in ensuring that Bid Committees timeously sits and the challenge of BAC sittings reported previously has been eliminated.

3. Contract Management

- a) Section 75 (1) (g) of the MFMA stipulates that the municipality must place all awarded contracts above a certain value on the municipal website. The Municipal Council is to adhere to the PPPFA threshold guidelines. Regulation 23 (c) (iii) also specifies that all bid results must be submitted/advertised on the municipal website.
- b) Council in the past financial year has implemented an effective system of contract management system with the assistance of the Provincial Treasury. The core function of the unit is as follows:
 - (i) Administer all contracts entered into between Council and responsive bidders
 - (ii) Facilitate the signing of the SLA with responsive bidders
 - (iii) Monitoring of the contracts signed for the delivery of various goods and services in consultation with the relevant departments
- c) The municipality has assigned an official to deal with contract management and the said official has undergone a training as capacity enhancement. It must be noted that there are still shortcomings which results in the municipality incurring irregular expenditure emanating from expired contracts. To avert that, the contract register gets presented to the Management and Council Committees on a monthly basis.

Contract register is annexed which entail comprehensive details of existing contracts in the period under review

4. PERFORMANCE MANAGEMENT

- a) Section 116 (2) (d) stipulates that every contract that the municipality enters into, a regular report must be submitted to council detailing its management and the performance of the contractor. In order to be able to do this, the accounting officer is thus required to compile a schedule summarizing progress against all the contracts that the municipality entered into.

Chapter 5

- b) The Supply Chain Management is not in position to accurately account in terms of the performance of contractors and supplies as it solely relied on the information provided by the project managers which may or may not be accurate. Whilst the contract management practitioner has been placed to manage all contracts, there seem to be notable gaps when it comes to the process flow of performance contract management. To address that gap, the municipality has introduced a monthly reporting tool, whereupon the project managers and user departments submits monthly report of the ongoing projects.
- c) Issues such as variation orders, price escalations and handling of contingency fees remained the sole function of the project managers. Measures need to be put in place to ensure that this component of the performance management is managed adequately.

5. RISK MANAGEMENT

- a) Risk assessment has been conducted in the period under review and risk register which seeks to mitigate risks identified was developed. All issues that were identified in the course of the period under review as potentially posing a threat to the optimal functioning of the SCM unit were identified and factored into internal audit plan.
- b) The audit outcomes issued in prior years has reflected numerous issues, i.e. non-compliance with SCM policy and procedures which negatively impacts on overall audit outcome and new contracts which are wrongly awarded and thus results in irregular expenditure. The municipality has since resolved that the Bid Committees be trained on an annual basis, development of a compliance checklist and internal audit unit has been assigned to audit all tenders prior issuing intent to award.

6. IMPLEMENTATION OF PROCUMENT PLAN

Timeous Implementation of the procurement plan by user Departments continues to be a challenge, and measures taken to ensure that department adhere to procurement plan targets, the municipality has since introduced a monthly procurement plan reporting which assists in tracking the implementation of the procurement plan.

T5.12.

Chapter 5

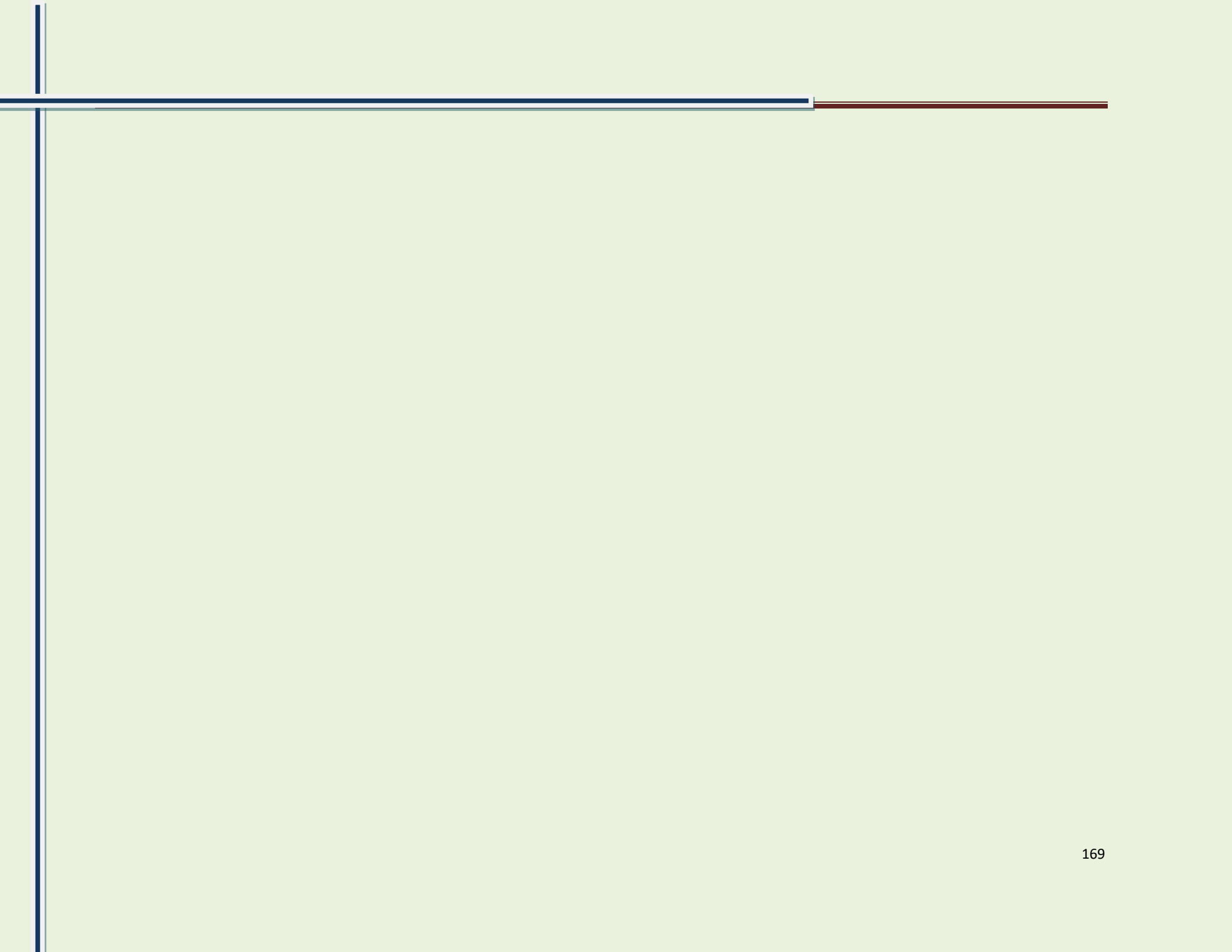
5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

The Municipality is in the process of ensuring that its financial system is GRAP compliant. Successful GRAP compliance will ensure that the municipal accounts are comparable and more informative. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

T5.13.

Chapter 6



Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Municipality obtained an unqualified audit during the 2017/2018 financial year. During this financial year management implemented the response plan based on the findings of the Auditor General as the Municipality achieved an unqualified audit opinion with matters of emphases which were related to performance management systems, internal control, huge losses on electricity supply and leadership to ensure stability and focus on service delivery for the betterment of people's lives.

T6.0.1

COMPONENT B: AUDITOR-GENERAL OPINION 2017/18

6.2 AUDITOR GENERAL REPORT 2017/18

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on Umvoti Municipality

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Umvoti Municipality set out on Chapter 7 which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Umvoti Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2018. The previous period's errors related to the write-off of work in progress, VAT liability adjustment and incorrect allocation of receivables payments.

Material provision for impairment – trade debtors

8. As disclosed in notes 5 and 6 to the financial statements, a material provision for the impairment of trade debtors totalling R37,99 million (2016-17: R26,17 million) was made. This represents 47% of the gross receivables balance, and is a result of long outstanding trade debtors.

Material losses – electricity

9. As disclosed in note 39 to the financial statements, material electricity losses of R11,64 million (2016-17: R9,93 million) were incurred due to illegal connections and distribution losses caused by ageing infrastructure. The losses represent 16,87% of total electricity purchased by the municipality.

OTHER MATTER

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements, and accordingly, I do not express an opinion on it.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the Umvoti Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

INTRODUCTION AND SCOPE

16. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for the selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2018:

Objectives	Pages in the annual performance report
Objective 2 – basic services	11
Objective 3 – local economic development	14

Objective 2 – basic services

Various indicators

19. The source information for achieving the following planned indicators were not clearly defined. Furthermore, the performance indicators did not specify the place/area/location, where the required level of performance will take place.

Indicators	Planned target
Number of high mast lighting constructed	15 x 30 metre high mast lighting
Number of metres of pavements and storm water drains rehabilitated	1 500 metres
Number of m ² fencing erected	560m ²

Various indicators

20. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the targets listed below. This was due to limitations placed on the scope of my work as I was not provided with reliable schedules that reconcile to the reported achievement. Furthermore, I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievements in the annual performance report.

Indicator	Reported achievement
Number of households with access to electricity (municipal licensed area)	3 303
Number of businesses with access to electricity (municipal licensed area)	505
Number of households with weekly access to solid waste removal	3 169
Number of businesses with daily access to solid waste removal	649
% of electricity faults addressed within a 3 hour turnaround time (municipal licensed area)	100% within 3 hours

Number of new public facilities to be constructed

21. The target “Kwaskhobo hall and crèche”, as determined during planning for the indicator “number of new public facilities to be constructed”, was not specific in clearly identifying the nature, and the required level of performance, since the unit of measure is not indicated, as required by the Framework for Managing Programme Performance Information (FMPPI).

Objective 3 – local economic development

Number of small, medium and micro enterprises (SMMEs) and cooperatives supported

22. The indicator “number of small, medium and micro enterprises (SMMEs) and cooperatives supported” as determined during planning, was not specific in clearly identifying the nature and the required level of performance nor was there a clear definition of what constitutes “support”, as required by the FMPPI.

OTHER MATTERS

23. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

24. The annual performance report on Chapter 8 includes information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 19 to 22 of this report.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

25. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of the basic services objective. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

27. The material findings on compliance with specific matters in key legislation are as follows:

FINANCIAL STATEMENTS

28. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

EXPENDITURE MANAGEMENT

29. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

30. Reasonable steps were not taken to prevent irregular expenditure of R35,63 million, as disclosed in note 37 to the financial statements, as required by section 62(1)(d) of the

MFMA. The irregular expenditure related to procurement processes as quotations and competitive bids were not followed, as well as non-compliance with the Municipal Supply Chain Management Regulations (GNR 868 of 30 May 2005) (MSCM), which were also identified in the previous period.

31. Reasonable steps were not taken to prevent fruitless and wasteful expenditure, in contravention of section 62(1)(d) of the MFMA. The fruitless and wasteful expenditure of R230 053 disclosed in note 36 to the financial statements was caused by penalty interest charged on the late payment of Eskom accounts.

HUMAN RESOURCE MANAGEMENT

32. Appropriate systems and procedures to monitor, measure and evaluate staff performance were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act, 2000 (Act No. 32 of 2000).

STRATEGIC PLANNING

33. The service delivery and budget implementation plan for the year under review did not include monthly revenue projections by source of collection and the monthly operational and capital expenditure by vote as required by section 1 of the MFMA.

PROCUREMENT AND CONTRACT MANAGEMENT

34. Sufficient appropriate audit evidence could not be obtained that some contracts and quotations were awarded in accordance with the legislative requirements, as documentation supporting the procurement process could not be obtained.
35. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were accepted only from bidders whose tax matters had been declared by the South African Revenue Services to be in order, as required by MSCM regulation 43.
36. Sufficient appropriate audit evidence could not be obtained that all extensions or modifications to contracts were approved by a properly delegated official, as required by MSCM regulation 5.
37. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of MSCM regulations 17(a) and (c).
38. Some quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by MSCM regulation 13(c).
39. Some goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by MSCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of MSCM regulation 36(1).

40. Some contracts were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act No. 5 of 2000 and 2017 preferential procurement regulations 11(1).

OTHER INFORMATION

41. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
42. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
43. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
44. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

45. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
46. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

47. The financial statements and annual performance report contained numerous misstatements that were corrected. These were mainly due to the inadequate application of the financial reporting framework and a lack of proper reviews on quarterly, mid-year and annual performance reports by management to ensure that they were supported by reliable and complete information.
48. Supply chain management non-compliance could have been prevented had compliance been properly reviewed and monitored by management.

ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **municipality’s** internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the **Umvoti Municipality’s** ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

CHAPTER 7 – 2017/2018 ANNUAL FINANCIAL STATEMENTS

The 2017/2018 Annual Financial statements are an Annexure to the Annual Report.

CHAPTER 8 – 2017/2018 ANNUAL PERFORMANCE REPORT

1. INTRODUCTION

The annual Performance report is hereby submitted to the Umvoti Municipal Council in terms of the Municipal Systems Act 32 of 2000, Section 46(1) and (2) as well as MFMA Circular 11 on annual reporting . This report covers the Performance information from the period 01 July 2017 to 30 June 2018 and focuses on implementation of the Service Delivery and Budget and Implementation Plan SDPBIP in relation to the objectives as encapsulated in the Municipality's Integrated Development plan (IDP) For the Year under Review.

This report reflects actual performance of the Municipal as measured against the Performance indicators and targets in its Integrated Development Plan as well as the Service Delivery and Budget Implementation Plan (SDBIP) for the 2016/2017 financial year.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI's) per Municipal Key Performance area. Each Key Performance Area has a number of Municipal activities, which are arranged in a coherent manner

This report will also endeavour to report to Council the Municipality's performance in terms of the FIVE (5) National Government's Key Performance Areas for local Government, which are, Basic Service Delivery, Local Economic Development, Municipal Institutional Transformation and Development, Municipal Financial Viability and Management and Good Governance and Public Participation.

The 2017 /2018, Annual Performance Scorecard is attached as an annexure to the Annual Report.

2. LEGISLATIVE REQUIREMENTS

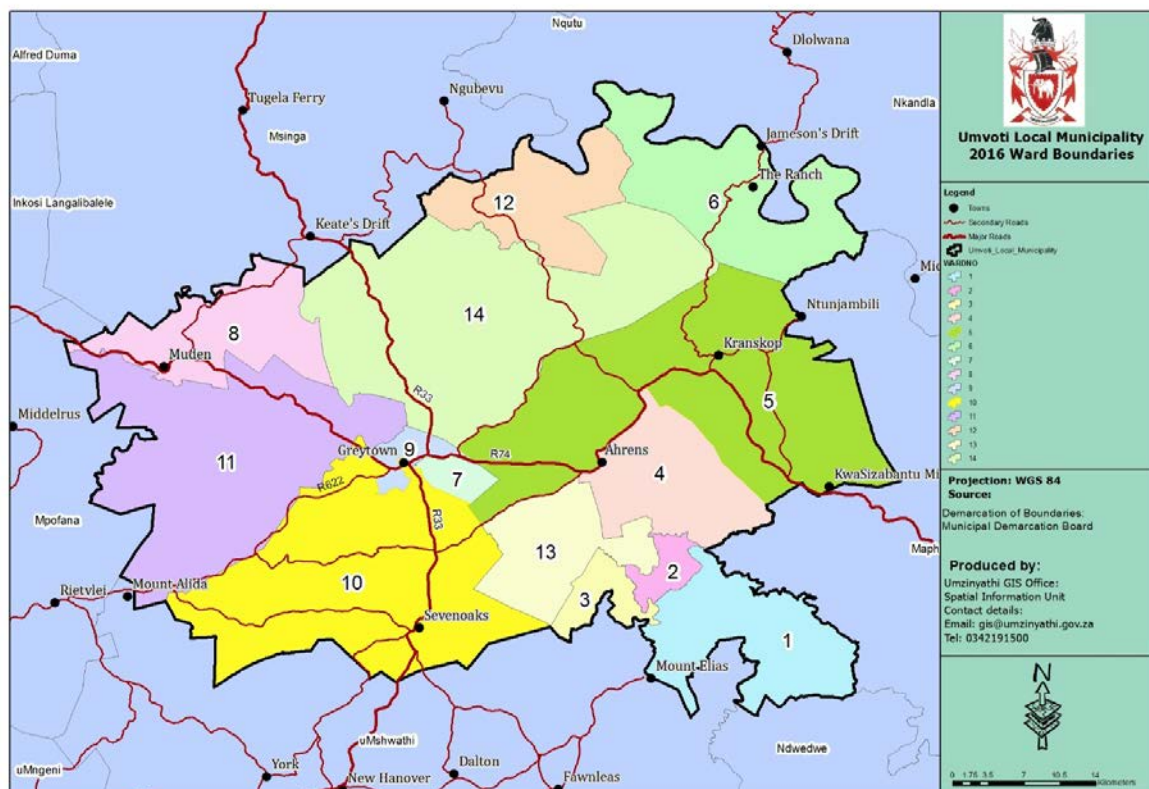
This Annual Performance Report has been compiled in compliance with the requirements of Section (1) of the Local Government Municipal Systems Act, 32 (Act 32 of 2000) which stipulates as follows:

- (1) A municipality must prepare for each financial year a performance report reflecting
 - a) The performance of the Municipality and each external service provider during the financial year.
 - b) A Comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year and
 - c) Measures taken to improve performance.

In addition , Regulation (7) of the Local Government Municipal Planning and Performance Management Regulations, 2001 states that A municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and process of performance planning , monitoring , measurement , review , reporting and improvement will be conducted, organized and managed , including determining the roles of the different role players ." Performance management is not only relevant to the organization as a whole but also to the individuals employed in the organization as well as external service providers and the municipal entities.

3. MUNICIPAL OVERVIEW

Umvoti Municipality is one of the local municipalities falling under Umzinyathi District Municipality. It is situated approximately 75km from Pietermaritzburg and 55km from Stanger, and includes the urban centres of Greytown and Kranskop. It is about 2509km² in extent and its population is estimated at 122 424 (Statsa 2016) people who are spread unevenly among the eleven wards. The Municipality is located on the Southern part of Umzinyathi District and borders onto uMgungundlovu District to the South, Mshwathi Local Municipality, and largely falls within the Pietermaritzburg functional economic region. The parts of the municipality that borders onto iLembe District enjoy the influence of Stanger-KwaDukuza economic region. The municipality is also well integrated into the Provincial transportation network. Route 33 serves as a major link between Greytown and Dundee while R74 connects the urban centres of Greytown, Kranskop and Stanger.



4. SOCIO ECONOMIC STATUS

POPULATION		
2015/2016	2016/2017	2017/2018
103 092	103 092	122 424

Table 1 Total Population

Source: Community Survey 2016

SOCIO ECONOMIC STATUS			
Year	Unemployment rate	Proportion of population with no income	HIV/Aids Prevalence
2015/2016	30.4%	35.1%	112%
2016/2017	30.4%	35.1%	112%
2017/2018	30.4%	35.1%	112%

Table 2 Socio Economic Status

Source: Community Survey 2016

HOUSEHOLDS DATA			
	2015/2016	2016/2017	2017/2018
households in a municipal area	27282	34664	34664
Number of registered households in a municipal area	4269	4337	4520

Table 3 Households Data

Source: Community Survey 2016

5. SUMMARY

5.1 Performance Achievements:

It is acknowledged that not all the planned targets for the year under review were achieved. There were challenges that led to the non-achievement of some of the targets. The challenges are addressed in Section 5 where individuals KPAs are discussed. The municipality has ensured that measures are put in place in order to address the performance challenges that were encountered during the year under review.

Ninety two (92) targets were planned in the year under review. Fifty (50) targets of the total ninety two (92) targets planned for the year under review were achieved. The fifty (50) targets that were achieved also includes nine (9) targets that were exceeded. This represents 44.5% of total planned targets that were achieved for the year. Forty two (42) targets of the total 92 targets planned for the year under review were not achieved. This represents 45.6% of total planned targets that were not achieved for the year.

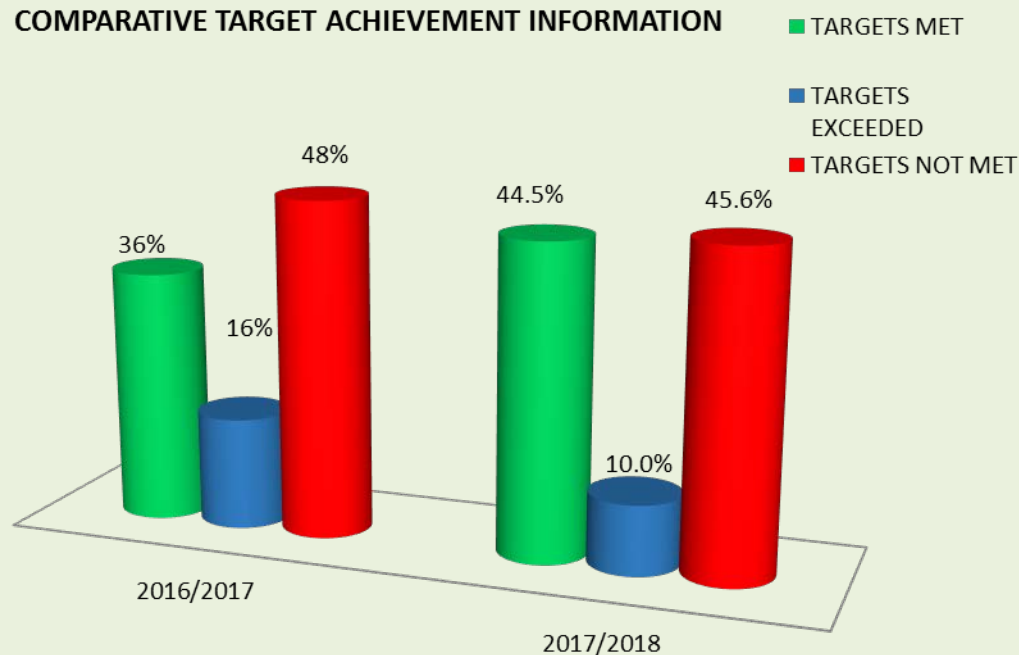
Table 4 below gives a comparison of 2016/2017 and 2017/2018 financial year performance:

TRAFFIC LIGHT STATUS	NUMBER	2016/2017 PERFORMANCE	NUMBER	2017/2018 PERFORMANCE
TARGETS MET	33	36%	41	54.5%
TARGETS EXCEEDED	15	16%	8	10%
TARGETS NOT MET	42	48%	43	45.5%

Table 4: Comparative target achievement information

- 5.2 The above table shows that the performance has increased with 8.5% when compared to the previous year. In 2016/2017 financial year, 36 % of the targets were met and 44.5% of the targets were met in the year under review.
- 5.3 Performance targets that exceeded achievement has decreased by 6% as compared to the 2016/2017 financial year, 16% of the targets were exceeded and 10% of the targets were exceeded in the year under review.
- 5.4 Performance targets that were not achieved has decreased by 2.4% as compared to the 2016/2017 financial year, 48% of the targets were not achieved and 45.6% of the targets were not achieved in the year under review.

FIGURE 1 : COMPARATIVE TARGET ACHIEVEMENT INFORMATION



6. PERFORMANCE MANAGEMENT PROCESSES

The Performance Management Framework and performance procedures and processes for Umvoti Municipality were reviewed internally with the assistance of Cogta and was adopted by Council. Furthermore the performance agreements for the Senior Managers and Municipal Manager were signed on the 7th July 2017 and submitted to the Department of Cooperative Governance and Traditional Affairs on the 7th July 2017.

The OPMS framework was implemented and monitored on a quarterly basis in the 2017/2018 financial year through various Municipal Governance Structures. The informal Organizational Performance Management Reviews were conducted in various Management Committee and Extended Management Committee meetings in order to be in line with the Organizational Performance Management Framework.

The formal reviews were not conducted due to the non-existence of the Performance Evaluation Committee. The internal Audit unit conducted performance audit on a quarterly basis in order to ensure that the Municipality adheres to the OPMS Framework and Procedure Manual. The Performance audit reports were prepared and submitted to Management and tabled to all the Performance Audit Committee meetings.

The Performance Audit Committee was fully functional during the year under review. The Committee meetings were convened on a quarterly basis in order for the committee to exercise its oversight role.

The Municipal Public Accounts Committee was functional during the year under review and exercised its oversight role in monitoring the financial and organizational performance of the Municipality.

7. THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The organizational performance is evaluated by means of a Municipal Scorecard at an organizational level and through the Service Delivery and Budget Implementation (SDBIP) at Departmental levels.

The SDBIP is a place that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the Municipality are implemented .It also allocates the responsibility to Departments to deliver the services in terms of the IDP and Budget.

The MFMA Circular no 13 prescribes that

- a) The IDP and budget must be aligned
- b) The budget must address the strategic priorities
- c) The SDBIP should indicate what the municipality is going to do during the 12 months
- d) The SDBIP should form the basis for measuring the performance against goals set during the budget/IDP process

The SDBIP was prepared as described in the paragraphs below and approved by the Council on the 30th June 2017.

The overall assessment of the actual performance against targets set for the key performance indicators as document in the SDBIP is illustrated in terms of the following assessment methodology

COLOR	CATEGORY	EXPLANATION
Red	KPI not achieved	42 Actual vs. 92 Target
Green	KPI Achieved	41 Actual vs. 92 Target
Blue	KPI Exceeded	9 Actual vs. 92 Target

Table 6 : Performance assessment Criterial

8. PERFORMANCE AND SUPPORTING INFORMATION

The Municipal Scorecard reflects the six (6) national KPAs with set targets for the financial year under review. The following subsections focuses on the performance of the municipality per KPA, challenges and measures taken to improve performance.

The six KPA's with their set targets and indicators are linked to the Municipality's objectives as contained in the 2017/2018 Integrated Development Plan (IDP).

8.1 *Municipal Institutional Development and Transformation*

The Key Performance indicators for this KPA is linked to the Municipality's objectives as contained in the Integrated Development Plan (IDP). These objectives are:

1. To ensure Functional Performance Management System
2. To improve institutional and organisational capacity
3. To ascertain the rate of confidence in the municipality's ability to provide basic services
4. To enhance and ensure the effectiveness the Information Communication Technology (ICT) Systems

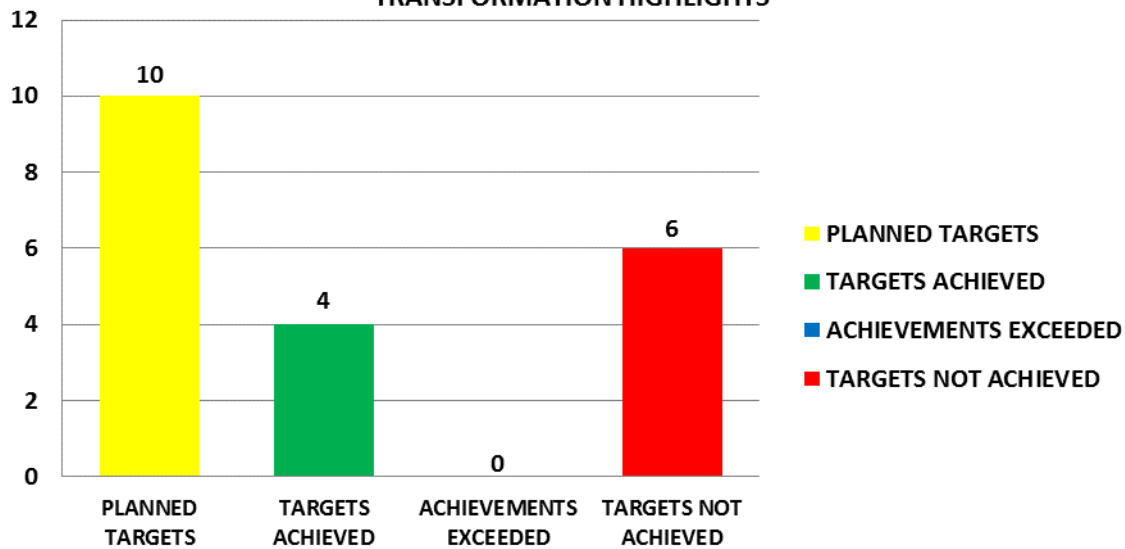
Ten (10) targets were planned for this KPA in the year under review. Four (4) targets of the ten (10) targets planned were achieved. Six (6) targets of the ten (10) targets planned were not achieved.

8. 1.1 Performance Highlights for 2017/2018

Planned Targets	Targets Achieved	Achievements Exceeded	Targets Not Achieved
10	4	6	0

Table 7: Municipal Institutional Development and Transformation Highlights

FIGURE 2 : MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION HIGHLIGHTS



8.1.2 CHALLENGES AND MEASURES TAKEN TO IMPROVE PERFORMANCE

NO.	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
1	The Organizational Performance Management Framework was not adopted by Council on time	The reviewed OPMS Framework and Procedure Manual was adopted by Council on the 31 July 2018
2	5 Senior Management positions were vacant and therefor the formal and informal evaluations were not conducted.	The MM and CFO positions have been filled in March 2018. The Interview for the Director Corporate Services was conducted on the 19 July 2018, Director Community Services was conducted on the 26 July 2018. The finalisation of the rest of the appointment processes will be concluded by December 2018.
3	The formal Performance evaluation for the Director Planning and Economic Services was not conducted due to the non-appointment of the performance evaluation committee.	The quarter 4 Performance Evaluation for the Chief Financial Officer and Director Planning and Economic Services were conducted on the 06 th August 2018
6	Due to financial constraints experienced in the 2017/2018 Financial Year, a portion of the training budget was	The municipality has appointed a service provider to undertake a skills audits that will determine the training priorities per department.

	reallocated to more urgent institutional priorities.	The skills audit is scheduled to be completed by the 31 March 2019.
7	The reviewed I.T Strategy presented at a Council Workshop conducted from the 14- 16 September 2017 however it was not adopted timeously due to prioritisation of Budget related Policies.	The I.T Strategy has been adopted by Council on the 28 th August 2018.

8.1.3 RISK'S IDENTIFIED

- Inadequate implementation of Performance Management System

8.2 Basic Service Delivery

The Key Performance indicators for this KPA is linked to the Municipality's objectives as contained in the Integrated Development Plan (IDP). These objectives are:

1. To improve access to electricity services
2. To ensure provision and maintenance of public facilities
3. To improve access to solid waste removal services
4. To promote the development of sustainable human settlements and quality housing
5. To improve access to roads and pavements

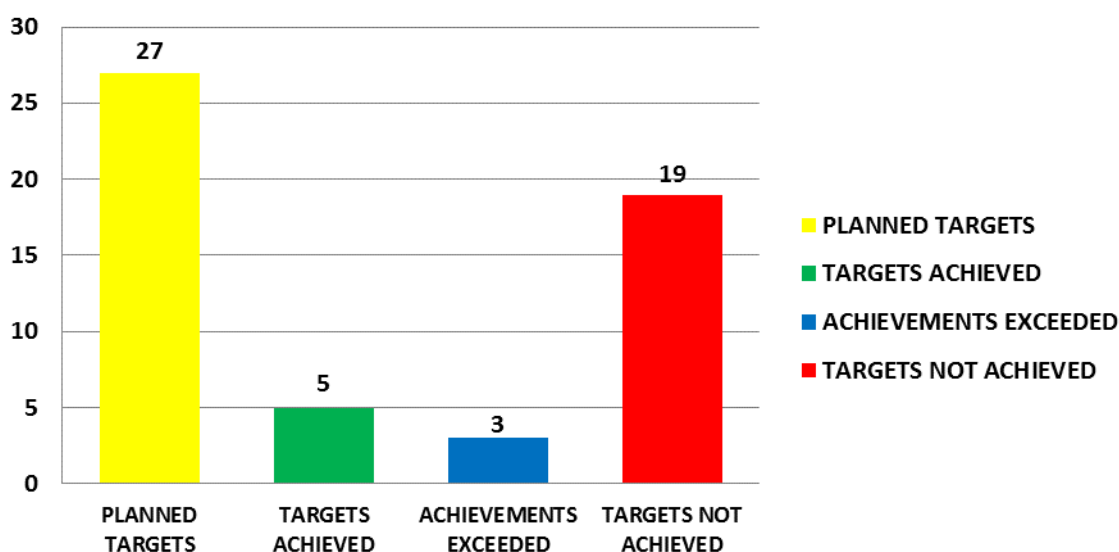
Twenty seven (27) targets were planned for this KPA in the year under review. Five (05) targets of the twenty seven (27) targets planned were achieved. Three (3) targets of the twenty Seven (27) targets planned were exceeded. Nineteen (19) targets of the twenty seven (27) targets planned were not achieved.

8.2.1 Performance Highlights for 2017/2018

Planned Targets	Targets Achieved	Achievements Exceeded	Targets Not Achieved
27	5	3	19

Table 8: Basic Service Delivery Highlights

FIGURE 3 : BASIC SERVICE DELIVERY HIGHLIGHTS



8.2.2 DUPLICATED INDICATOR/MEASURE

There was a duplication of an indicator/measure in the 2017/2018 Service Delivery Budget Implementation Plan (SDBIP). The duplicated indicator/measure is “ Number of households electricity connections completed in Townlands” The management adjusted the reported achievement in the 2017/2018 Annual Performance Report to reflect the correct indicator/measure which is “ Number of households electricity connection completed in Mfushane”.

8.2.3 CHALLENGES AND MEASURES TAKEN TO IMPROVE PERFORMANCE

NO.	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
1	The inconsistent fluctuation of the access figure for Electricity Services and Waste Removal is a result of an incorrectly calculated figure in the 2017/2018 organizational scorecard and SDBIP.	The Municipality is in the process of conducting a data cleansing exercise to ascertain the accuracy of the electricity and waste collection customer records. The 2018/2019 Organizational Scorecard and SDBIP has been revised to include the correct figure.
2	The Mthiyagwa and Mfushane Electrification Project is 75.12% complete. The reason is because of poor road access and this has caused the project to delay as the workers have to carry material and poles by hand over long distances as there is no access. The Municipality is also awaiting the outage	The Technical Services Department has regavelled the road leading to the Mthiyagwa and Mfushane Electrification Project therefore the project will be complete on the 30 September 2018.

	date from Eskom.	
3	There were delays in the appointment of a contractor for the construction of Kwaskhobo Hall/Crèche as a result of an objection received on the appointment.	<p>The appointment was only finalised on the 12 February 2018. The project construction commenced in March 2018.</p> <p>The construction of Kwaskhobo Hall/Crèche will be completed by the end of September 2018.</p>
4	The Testing Station project was not budgeted for in the 2017/2018 financial year and was erroneously included in the 2017/2018 Organizational Scorecard and SDBIP.	Due to the high costs involved in implementing the testing station, the Municipality is sourcing external funding for the project.
5	There were delays in completing the Lakhis Sports field Project regarding the shortage of water on the site.	A Bore hole has been installed at Lakhis Sports field and the project will be completed by the end of August 2018.
6	There were delays experienced in the completion of the Acacia Park Project due to poor climate weather conditions.	Undercut has been done to reduce water on in suite material at Acacia Park. The project will be completed by the end of August 2018.
7	Due to changes in financial priorities of the Council some projects were reallocated for implementation during the 2018/2019 financial year.	The Council has recently appointed a plant and equipment service provider for the servicing of all roads related infrastructure.
8	The advertisement for the appointment of Service Provider to Conduct an Infrastructure Master Plan only took place in quarter 3 due to the changes in expenditure priority which was only rectified after the budget adjustment process in February 2018.	The Bid Adjudication Committee took a resolution for the appointment of a service provider on the 11 June 2018. The development of the infrastructure master plan will be completed by 31 December 2018 and progress will be reported on a monthly basis to the relevant governance structures.

9	The Housing Sector Plan was not reviewed by 30 May 2018 as per the set target. The Municipality has an existing Housing Sector Plan in place. However, it needs to be reviewed to be in line with the KZN Master Spatial Plan.	The Housing Sector Plan will be reviewed to be in line with the KZN Master Spatial Plan by 31 March 2019
10	A Housing Forum meeting did not convene in quarter 3 of the year under review due to unavailability of Councillors who were attending a computer course.	The quarter 4 Housing Forum meeting was subsequently convened on the 23 May 2018. A schedule of meetings have been prepared and aligned to all other planned institutional meetings in order to ensure that they do not coincide with each other.
11	There were delays in the procurement of premix material which resulted to less patches and potholes being repaired.	SCM processes are being followed for the procurement of material (premix) which would be finalised by the end of September 2018
12	The Storm water drains and pavements were maintained, whilst awaiting a conditions assessment of infrastructure in order to prioritise and choose the correct design considering the operation and maintenance cost	The Conditional Assessment Service Provider will be appointed by 31 August 2018. The conditional assessment will be concluded by December 2018

8.2.4 RISK'S IDENTIFIED

- Insufficient and uneconomic waste management
- Inability to maintain roads and storm water drainage

8.3. *Local Economic Development*

The Key Performance indicators for this KPA is linked to the Municipality's objectives as contained in the Integrated Development Plan (IDP). These objectives are:

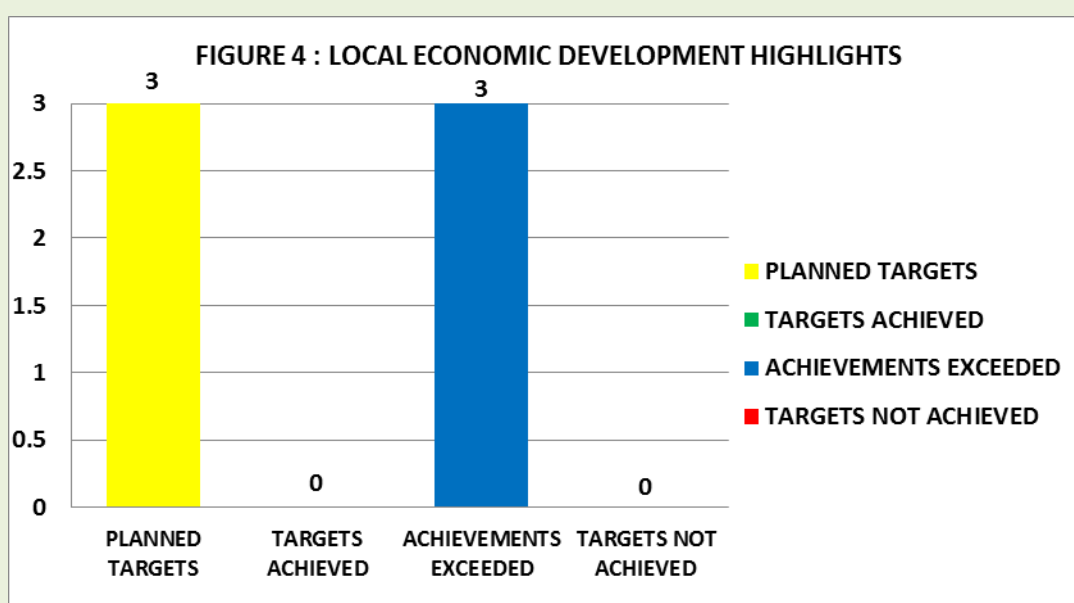
1. To create an environment conducive to economic growth and development

Three (3) targets were planned for this KPA in the year under review. Three (3) targets of the three (3) targets planned was exceeded.

8.3.1 Performance Highlights for 2017/2018

Planned Targets	Targets Achieved	Achievements Exceeded	Targets Not Achieved
3	0	3	0

Table 9: Local Economic Development Highlights



8.3.2 Challenges

- i. There were no challenges in the Local Economic Development Key Performance Area.

8.3.3 RISK'S IDENTIFIED

- Poor environment for economic growth

8.4 Good Governance and Public Participation

The Key Performance indicators for this KPA is linked to the Municipality's objectives as contained in the Integrated Development Plan (IDP). These objectives are:

1. To promote social cohesion and address the needs of vulnerable groups
2. To ensure effective public engagement and participation in municipal affairs
3. To improve the Municipal Audit outcome, Corporate Governance and Accountability
4. To ensure that Council is Functioning Effectively and Efficiently

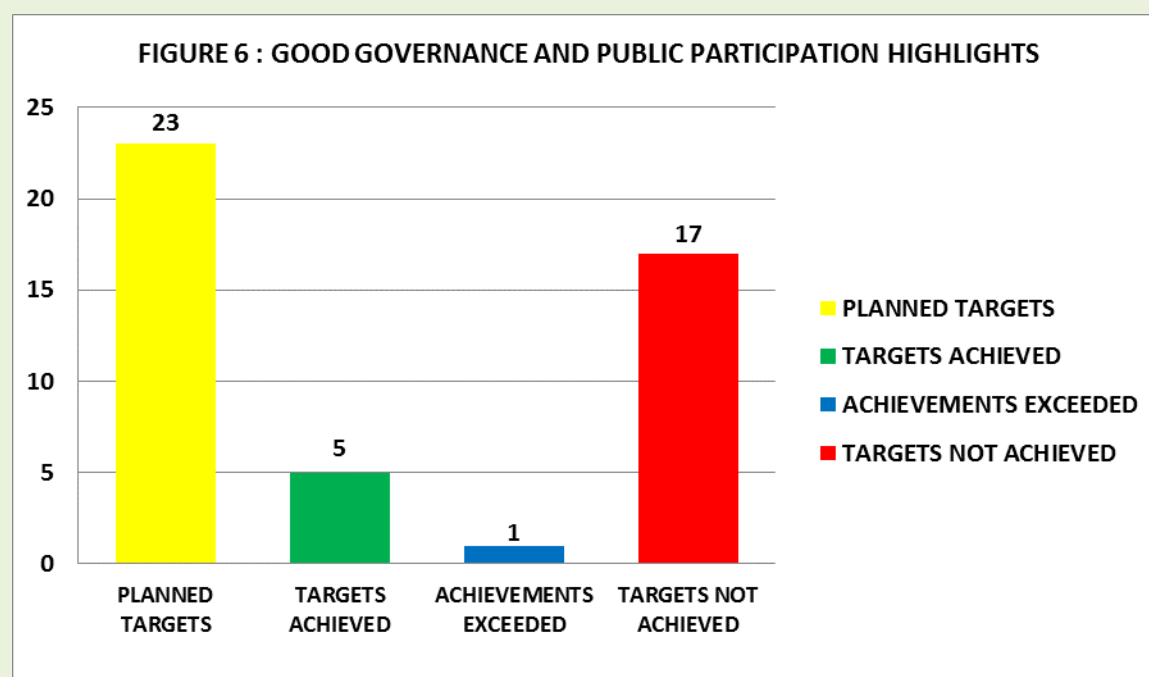
5. To ensure an effective fleet management system
6. To ensure safeguarding of municipal records

Twenty three (23) targets were planned for this KPA in the year under review. Five (5) targets of the twenty three (23) targets planned were achieved. One (1) target of the twenty three (23) targets planned was exceeded. Seventeen (17) targets of the twenty three (23) targets planned were not achieved.

8.4.1 Performance Highlights for 2017/2018

Planned Targets	Targets Achieved	Achievements Exceeded	Targets Not Achieved
20	13	1	17

Table 10: Good Governance and Public Participation Highlights



8.4.2 CHALLENGES AND MEASURES TAKEN TO IMPROVE PERFORMANCE

NO.	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
1	There were delays in the formalisation of the special programs sectors (Women,	The special programs plan has subsequently been completed and presented to the

	Youth, Disability and HIV &AID) who are responsible for providing sectoral priorities that inform the special programmes plan.	Management Committee as well as the Community and Corporate Portfolio Committee on the 27 March 2018.
2	AG Queries quarterly targets were incorrectly calculated in that they did not consider the nature of the audit findings being addressed. The achievement of at least six (6) of the eleven (11) audit findings are long term in nature and cannot be achieved by the fourth quarter of the financial year as anticipated.	The quarterly targets will be reviewed to realistically consider the practical time frames within which these audit findings can be addressed.
3	The targets set for Section 79 and 80 Committees did not consider the Council recess period which takes place between 15 December to 15 January	The 2018/2019 Organizational Scorecard and SDBIP have been revised to adhere to the SMART principle.
4	The reason for the non-convening of the quarter 2 MPAC meeting was due to non-availability of MPAC members.	A schedule of meetings has been drafted for all Council governance structures meetings.
5	The reviewed Fleet Management Policy and Procedure Manual was presented at a Council Workshop between the 14- 16 September 2017 however it was not adopted timeously due to prioritisation of Budget related Policies.	The Fleet Management Policy and Procedure Manual will be adopted by Council by August 2018.

8.4.3 RISK'S IDENTIFIED

- Ineffective implementation of risk management processes
- Ineffective audit services

8.5 Financial Viability

The Key Performance indicators for this KPA is linked to the Municipality's objectives as contained in the Integrated Development Plan (IDP). These objectives are:

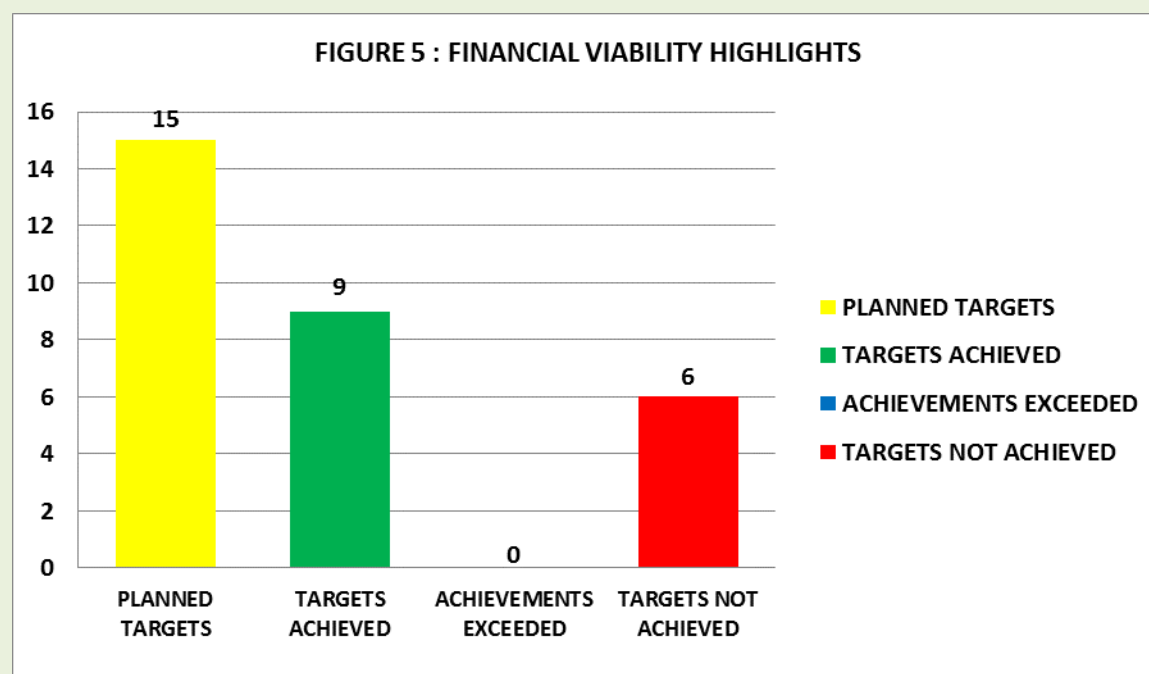
- 1 To ensure achievement of expenditure targets
- 2 Optimal revenue collection
- 3 Capital expenditure management
- 4 To ensure disciplined Expenditure management
- 5 To achieve profitability and liquidity ratios
- 6 To safeguard Municipal Assets
- 7 To achieve effective financial reporting
- 8 Improved budget implementation in the municipality

Fifteen (15) targets were planned for this KPA in the year under review. Nine (09) targets of the fifteen (15) targets planned were achieved. Six (06) targets of the fifteen (15) targets planned were not achieved.

8.5.1 Performance Highlights for 2017/2018

Planned Targets	Targets Achieved	Achievements Exceeded	Targets Not Achieved
15	09	0	6

Table 11: Financial Viability Highlights



8.5.2 CHALLENGES AND MEASURES TAKEN TO IMPROVE PERFORMANCE

NO.	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
1	Cost cutting initiatives in due consideration of the cash flow. Other items were not procured due to delays in SCM processes and also poor planning from User Departments.	Regular feedback to user departments through weekly dissemination of weekly reports regarding BID Committee sittings in order to keep track of the tender processes. Preparation of monthly report on the procurement plan implementation.
2	Historical debt resulted in non-achievement, Capacity constraints in the Credit Control section. Lack of adequate data.	Revenue enhancement committee was established in May 2018. Tender for data cleansing service provider is out on advert and SCM processes are soon to follow for the appointment.
3	Faulty meters, theft of electricity	Monthly submission of faulty metres to Technical Department. Monthly electricity distribution report
4	Cost cutting initiatives in due consideration of the cash flow. Other items were not procured due to delays in SCM processes and also poor planning from User Departments.	Monthly circulation of budget report to HODs'. Monthly procurement plan report. Weekly BID Committee sittings report.
6	Historical debt resulted in non-achievement, Capacity constraints in the Credit Control section. Lack of adequate data.	Municipal Debt and Revenue Enhancement committee was established in May 2018. Procurement of the data Cleansing and Profiling service provider is underway due to be finalised by end of August 2018.
7	The cash coverage ratio has drastically decreased in Q4 merely because the municipality was trying to ensure that all planned critical programmes are undertaken before the budget is forfeited.	Cash flow coverage report will be prepared on a monthly basis and be monitored closely.

8.5.3 RISK'S IDENTIFIED

No.	RISK'S IDENTIFIED	ROOT CAUSE	REMEDIAL ACTION
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1	Inability to collect all monies due to the municipality	- Capacity constraints within the credit control unit and thus adversely impact on effective implementing Credit Control Policy.	- Credit Control unit has been assigned with 3 officials
2	Non credible budget and financial reporting	- System challenges attributing to incorrect mapping. - Capacity building shortfalls	- System Administrators made on undertaking to fix the challenge - Budget training of personnel directly involved in budget preparation and reporting.
3	High rate of electricity distribution losses within the municipal license area	- Attributable to electricity theft and ageing infrastructure.	- Conducting major repairs and maintenance of the electricity infrastructure. - Migration to pre-paid system.

8.6 Cross Cutting Interventions

The Key Performance indicators for this KPA is linked to the Municipality's objectives as contained in the Integrated Development Plan (IDP). These objectives are:

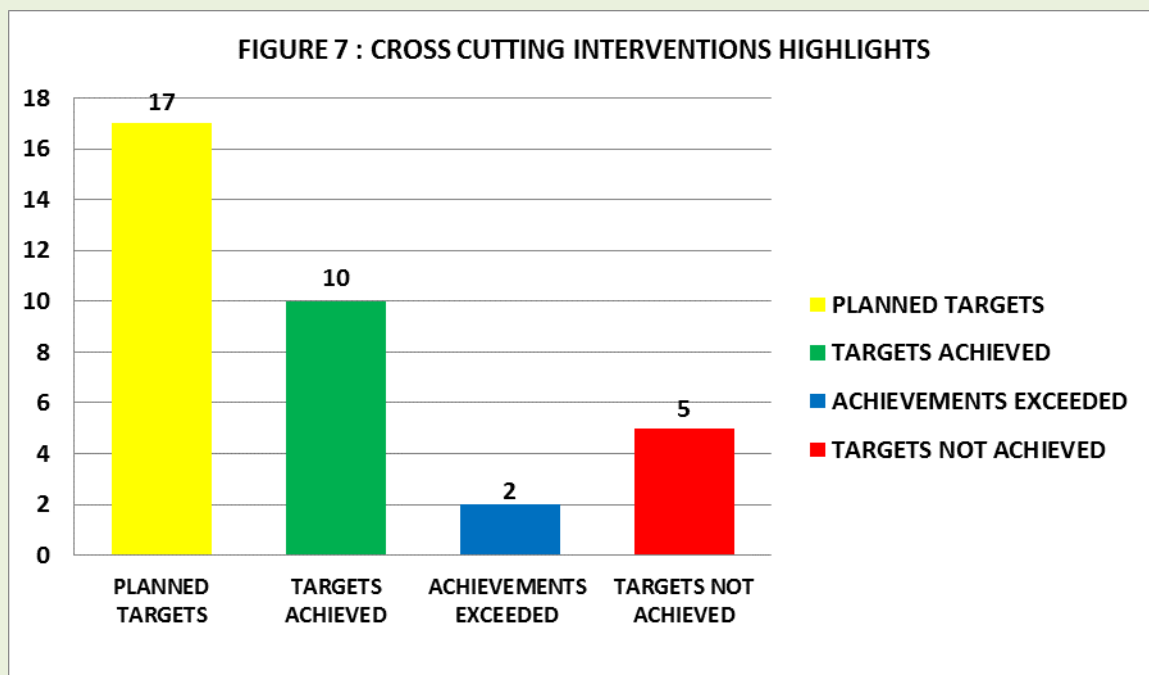
1. To ensure efficient and credible strategic and spatial municipal planning
2. To ensure sustainable development and protection of the environment
3. To ensure effective disaster management
4. To provide a safe and secure environment

Seventeen (17) targets were planned for this KPA in the year under review. Ten (10) targets of the seventeen (17) targets planned were achieved. Two (2) targets of the seventeen (17) targets planned was exceeded. Five (5) targets of the seventeen (17) targets planned were not achieved.

8.6.1 Performance Highlights for 2017/2018

Planned Targets	Targets Achieved	Achievements Exceeded	Targets Not Achieved
17	10	2	5

Table 12: Cross Cutting Interventions Highlights



8.6.2 CHALLENGES AND MEASURES TAKEN TO IMPROVE PERFORMANCE

NO.	CHALLENGES	MEASURES TAKEN TO IMPROVE PERFORMANCE
1	Funds for the development of the wall to wall scheme, Townlands Local Area Plan and Ebomvini Local Area Plan were reprioritised for the Municipal Timber plantation project.	The project has been budgeted for in the 2018/2019 financial year and included in the 2018/2019 procurement plan for implementation in quarter 2.
2	In terms of the development of the Integrated Waste Management Plan delays were experienced in the finalisation of the SCM processes due to non-responsiveness of during the first advertisement and re-advertisement process. The Municipality could not re-advertise for the third time as the financial year came to an end.	Due to changes in the financial priorities of the Council, the plan was not budgeted for in the 2018/2019 financial year therefore the municipality intends soliciting support through the Municipal Infrastructure Programme (MISA).

3	The Disaster Management Plan was reviewed at a Council Workshop on the 06 June 2017 however prioritisation was given to Budget related Policies for adoption.	The Disaster Management Plan will be adopted by Council by August 2018.
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8.6.3 RISK'S IDENTIFIED

- Non credible budget and financial reporting
- Inability to maintain roads and storm water drainage
- Inability to appoint section 54 and 56 managers

9. KEY AREAS TO NOTE

Improving Performance

The OPMS framework will be reviewed in the 2018/2019 financial year, which will set out performance reporting criteria that will assist the municipality to improve its performance. The Performance management processes and procedures are now in place and will assist in ensuring that organisational performance is improved and in line with the legislated requirements.

In an effort to improve the performance planning, implementation, measurement and reporting the institution will strive to implement the following during the 2018/2019 financial year.

- a) Development of the operational plan in order to monitor and report on the operational programs.
- b) In consultation with SALGA Explore the use of an electronic performance management system which will also form the basis of performance evaluations of the Senior Management and the Municipal Manager
- c) Striving to ensure that the Service Delivery Implementation Plans are implemented and progress is regularly (monthly and quarterly) implemented to all Governance Structures for an improved oversight
- d) Ongoing monitoring of the implementation process of both the IDP and where there are gaps ensure amendment processes during the mid-year review.

10. LESSONS LEARNT AND WAY FORWARD

The Umvoti Municipality has not achieved all that it has set itself to achieve owing to the numerous challenges experienced during the 2017/2018 financial year. These challenges range from capacity constraints such as non-filling of vacant posts of senior and vacancies of critical positions within the various Departments as well limited financial resources. The Municipality remains committed to respond to the expectations of the residents and local business fraternity by provision of access to quality and affordable basic services whilst doing our utmost to maintain and improve on the existing levels of development

The Umvoti Municipality continues to strive to be a well –functioning local government institution because of effective efficient but most importantly responsible use of its resources. The IDP five year plan of the municipality bears testimony to the municipality's acknowledgement that all is not yet done but continues to clearly articulate the social , economic and infrastructure needs of the Umvoti Municipality in the remaining years in the term of office. The participation of the members of the local community in the planning processes and governance structures of the municipality remains an imperative for the success of this Municipality.

Chapter 6

11. ASSESSMENT OF THE PERFORMANCE OF EXTERNAL SERVICE PROVIDERS- 2017/2018 FINANCIAL YEAR

<i>Assessment Key</i>	
<i>Good (G)</i>	<i>The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract</i>
<i>Satisfactory (S)</i>	<i>The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract</i>
<i>Poor (P)</i>	<i>The service has been provided below acceptable standards</i>

Chapter 6

No.	BID/ QUOTATION NUMBER	CONTRACT TYPE	APPOINTED BIDDER	DESCRIPTION OF GOODS/SERVICES/PRO JECTS	CONTRACT VALUE AS PER CONTRACT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	SUPPLIER PERFORMANCE
1	2014/02/03/BS	SERVICE LEVEL AGREEMENT	ABSA BANK LIMITED	PROVISION FOR BANKING SERVICES	R -	7/1/2015	2019/06/ 30	48	GOOD
2	0	ACCOUNTING OFFICER APPROVAL	CAMELSA CONSULTING (pty)Ltd	IMPLEMENTATION OF INTERGRATED MUNICIPAL FINANCIAL MANAGEMENT SYSTEM	R 2,174,725.50	9/30/2014	2015/06/ 30	9	GOOD
3	MSCM SECTION 32(1)(a)	SERVICE LEVEL AGREEMENT	CAMELSA CONSULTING (pty)Ltd	IMPLEMENTATION OF INTERGRATED MUNICIPAL FINANCIAL MANAGEMENT SYSTEM	R 1,846,800.00	2015/07/ 01	2018/06/ 30	36	GOOD
4	UMT/NGM/2015	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	MUDEN ELECTRIFICATION PHASE 2	R 12,966,092.33	2014/07/ 01	2017/06/ 30	36	GOOD

Chapter 6

No.	BID/ QUOTATION NUMBER	CONTRACT TYPE	APPOINTED BIDDER	DESCRIPTION OF GOODS/SERVICES/PRO JECTS	CONTRACT VALUE AS PER CONTRACT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	SUPPLIER PERFORMANCE
5	UMT/KWDL/SIB 005	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	KWADOLO ELECTRIFICATION	R 7,099,305.23	2014/07/ 02	2017/07/ 01	36	GOOD
6	UMT/NGM/201 4	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	MUDEN ELECTRIFICATION PHASE 1	R 24,626,040.91	2014/07/ 03	2017/07/ 02	36	GOOD
7	UMT/WLS/SIB00 9	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	WOOLSTONE ELECTRIFICATION	R 2,256,289.55	2014/07/ 04	2017/07/ 03	36	GOOD

Chapter 6

No.	BID/ QUOTATION NUMBER	CONTRACT TYPE	APPOINTED BIDDER	DESCRIPTION OF GOODS/SERVICES/PRO JECTS	CONTRACT VALUE AS PER CONTRACT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	SUPPLIER PERFORMANCE
8	UMT/NGM2015	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	NGOME ELECTRIFICATION PHASE 2	R 3,888,177.81	2014/07/ 05	2017/07/ 04	36	GOOD
9	UMT/EMKH/SIB 010	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	EMAKHABELENI ELECTRIFICATION PHASE 2	R 31,501,952.13	2014/07/ 06	2017/07/ 05	36	SATISFACTORY
10	UMT/EMKH/SIB 010	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	EMAKHABELENI ELECTRIFICATION PHASE 1	R 43,350,466.63	2014/07/ 06	2017/07/ 05	36	SATISFACTORY

Chapter 6

No.	BID/ QUOTATION NUMBER	CONTRACT TYPE	APPOINTED BIDDER	DESCRIPTION OF GOODS/SERVICES/PRO JECTS	CONTRACT VALUE AS PER CONTRACT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	SUPPLIER PERFORMANCE
11	UMT/NGM2014	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	NGOME ELECTRIFICATION PHASE 1	R 19,538,835.54	2014/07/ 06	2017/07/ 05	36	GOOD
12	UMT/497	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	497 SITES ELECTRIFICATION	R 1,988,520.38	2014/07/ 06	2017/07/ 05	36	GOOD
13	0	SERVICE LEVEL AGREEMENT	SEETHAL ATTORNEYS	LEGAL SERVICES TO UMVOTI MUNICIPALITY	R 4,330,042.17	7/1/2014	2017/06/ 30	36	GOOD
14	Q2016/04/05/A	APPOINTMENT LETTER	SHIVRIKA FIELD SECURITY	ALARM MONITORING ,ARMED RESPONSE AND BANKING SERVICES	R 1,492,214.04	5/4/2015	2018/05/ 04	36	GOOD

Chapter 6

No.	BID/ QUOTATION NUMBER	CONTRACT TYPE	APPOINTED BIDDER	DESCRIPTION OF GOODS/SERVICES/PRO JECTS	CONTRACT VALUE AS PER CONTRACT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	SUPPLIER PERFORMANCE
15	T2016/01/26/TA	SERVICE LEVEL AGREEMENT	XL ASTRA TRAVEL (pty) Ltd	TRAVEL AGENCY SERVICES	R 8,917,681.12	5/5/2016	2019/05/ 04	36	GOOD
16	T2016/05/12/G	SERVICE LEVEL AGREEMENT	TIPUBLOX (PTY) LTD	SUPPLY AND DELIVERY OF FUEL AND OIL	R 8,568,395.67	7/5/2016	2021/07/ 04	60	GOOD
17	MSCM SECTION 32(1)(a)	APPOINTMENT LETTER	NAMANDLA ROAD AND CIVILS	REFURBISHMENT OF KRANSKOP TAXI RANK ,ABLUTION FACILITIES ,PAVING AND SIDEWALK	R 4,790,217.30	4/27/201 7	2017/10/ 31	6	SATISFACTOR Y
18	MSCM SECTION 32(1)(a)	APPOINTMENT LETTER	NAMANDLA ROAD AND CIVILS	CONSTRUCTION OF ACACIA PARK	R 9,164,339.91	4/27/201 7	2018/04/ 26	12	SATISFACTOR Y
19	MSCM SECTION 32(1)(a)	APPOINTMENT LETTER	NAMANDLA ROAD AND CIVILS	UPGRADING OF LAKHIS SPORT FIELD	R 12,280,104.86	4/27/201 7	2018/04/ 26	12	SATISFACTOR Y

Chapter 6

No.	BID/ QUOTATION NUMBER	CONTRACT TYPE	APPOINTED BIDDER	DESCRIPTION OF GOODS/SERVICES/PRO JECTS	CONTRACT VALUE AS PER CONTRACT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	SUPPLIER PERFORMANCE
20	T2013/06/12/(G V)	SERVICE LEVEL AGREEMENT	BPG MASS APPRAISALS	GENERAL VALUATION FOR IMPLEMENTATION	R 537,682.60	7/1/2014	2018/06/ 30	48	GOOD
21	T2016/01/26/TA	SERVICE LEVEL AGREEMENT	CITY OF CHOICE	TRAVEL AGENCY SERVICES	R 877,043.88	5/4/2016	2019/05/ 06	36	GOOD
22		SERVICE LEVEL AGREEMENT	KONIKA MINOLTA	LEASE PHOTOCOPIERS AND PRINTERS	R 1,066,193.65	4/22/201 4	2017/04/ 21	36	GOOD
23	T2013/06/12/(G V)	SERVICE LEVEL AGREEMENT	METGOVIS INTERGRATE D PROPERTY	SUPPORT FOR GENERAL VALUATIONS	R 341,335.82	7/1/2014	2018/06/ 30	48	GOOD
24	MSCM SECTION 32	SERVICE LEVEL AGREEMENT	NTSHIDI AND ASSOCIATES	INTERNAL AUDIT SERVICES	R 6,561,855.00	7/1/2014	2018/06/ 30	48	GOOD
25	N/A	SERVICE LEVEL AGREEMENT	TELKOM SA LTD	TELEPHONE SERVICES	R 1,562,245.73			0	GOOD

Chapter 6

No.	BID/ QUOTATION NUMBER	CONTRACT TYPE	APPOINTED BIDDER	DESCRIPTION OF GOODS/SERVICES/PRO JECTS	CONTRACT VALUE AS PER CONTRACT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	SUPPLIER PERFORMANCE
26	N/A	SERVICE LEVEL AGREEMENT	UFEZELE MANAGEMENT	FINANCIAL SUPPORT	R 1,642,800.00			0	GOOD
27	MSCM SEC 36(1) (V)	SERVICE LEVEL AGREEMENT	ESETHU ISIPHO	GOODS AND SERVICES	R 3,505,741.34	12/1/2017		-1416	GOOD
28	N/A	SERVICE LEVEL AGREEMENT	INSINGIZI PROJECT AND DEVELOPMENT	GOODS AND SERVICES	R 500,000.00			0	GOOD
29	N/A	SERVICE LEVEL AGREEMENT	IZINGCWETI ZOMZANSI CONSULTING	GOODS AND SERVICES	R 1,248,144.00			0	GOOD
30		SERVICE LEVEL AGREEMENT	LIONBEE INVESTMENTS	GOODS AND SERVICES	R 5,763,726.96	3/1/2016		-1395	GOOD

Chapter 6

No.	BID/ QUOTATION NUMBER	CONTRACT TYPE	APPOINTED BIDDER	DESCRIPTION OF GOODS/SERVICES/PRO JECTS	CONTRACT VALUE AS PER CONTRACT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	SUPPLIER PERFORMANCE
31	MSCM 32	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	TOWNLANDS ELECTRIFICATION	R 3,787,090.93	9/26/2017	2018/06/30	9	GOOD
32	MSCM 32	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	DELEVU ELECTRIFICATION	R 1,300,000.00	9/26/2017	2018/06/30	9	SATISFACTORY
33	MSCM 32	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	MTHIYAQWA AND MFISHANE ELECTRIFICATION	R 3,450,000.00	9/26/2017	2018/07/01	9	SATISFACTORY

Chapter 6

No.	BID/ QUOTATION NUMBER	CONTRACT TYPE	APPOINTED BIDDER	DESCRIPTION OF GOODS/SERVICES/PRO JECTS	CONTRACT VALUE AS PER CONTRACT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	SUPPLIER PERFORMANCE
34	MSCM 32	SERVICE LEVEL AGREEMENT	SIBGEM MANAGEMENT AND CONSULTING ENGINEERS	ZIBA ELECTRIFICATION	R 3,250,000.00	9/26/2017	2018/07/02	9	GOOD
35	T2017/10/05/M PN	SERVICE LEVEL AGREEMENT	KONIKA MINOLTA	SUPPLY, DELIVERY AND MAINTENANCE OF PHOTOCOPY MACHINE FOR PERIOD 36 MONTHS		1/31/2018	2021/01/30	36	GOOD
36	MIG2017/08/15	SERVICE LEVEL AGREEMENT	TPL MKHIZE CIVIL	CONSTRUCTION OF KWASKOBHO COMMUNITY	R 3,643,658.69	2018/01/24	2019/01/23	12	GOOD
37	SUV/2017	SERVICE LEVEL AGREEMENT	SQOTHU ENTERPRISE	SUPPLY AND DELIVERY OF SUV	R 1,300,000.00	4/12/2018	2018/04/19	0	GOOD
38	T2018/02/16	SERVICE LEVEL AGREEMENT	ESETHU ISIPHO	HIRE OF PLANT FOR 36 MONTHS	R -	2018/06/28	2019/06/26	12	GOOD

Chapter 6

No.	BID/ QUOTATION NUMBER	CONTRACT TYPE	APPOINTED BIDDER	DESCRIPTION OF GOODS/SERVICES/PRO JECTS	CONTRACT VALUE AS PER CONTRACT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	SUPPLIER PERFORMANCE
39	T2018/03/07/P GRP	SERVICE LEVEL AGREEMENT	AVX CONSULTING ENGINEERS	PROPOSALS FOR GREYTOWN URBAN RENEWAL PLAN	R 375,000.00	6/1/2018	2019/05/ 30	12	GOOD
40		SERVICE LEVEL AGREEMENT	BRACKEN TIMBERS	MANAGEMENT OF MUNICIPAL TIMBER PLANTATION	R 5,154,174.41			0	GOOD

Chapter 6

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of

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	outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance	Indicators should be specified to measure performance in relation to

GLOSSARY

Indicator	input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

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APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Council Members	WARD NUMBER	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
		FT/PT			%	%
CLLR TC NGUBANE		FT	Finance, Planning & Economic Services Portfolio Committee (Chairperson)	ANC : Mayor	83.33%	16.67%
CLLR NG MASIKANE		FT	Technical Services Portfolio Committee (Chairperson)	ANC : Deputy Mayor	100%	Nil
CLLR W KHOZA	9	FT	Ex - Officio	Ward : ANC : Speaker	100%	Nil
CLLR NJ NZAME	1	PT	Municipal Public Accounts Committee	Ward : ANC	91.66%	8.34%
CLLR ZC NGEMA	2	PT	Technical Services Portfolio Committee	Ward : ANC	83.33%	16.67%

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CLLR PS HLOPHE	3	PT	Community & Corporate Services Portfolio Committee	Ward : ANC	91.66%	8.34%
ALD SV ZONDI	4	PT	Executive Committee	Ward : IFP	83.33%	16.67%
CLLR MS YENGWA	5	PT	Community & Corporate Services Portfolio Committee	Ward : IFP	50%	50%
CLLR SS XULU	6	PT	Technical Services Portfolio Committee	Ward : ANC	91.66%	8.34%
CLLR VB NJOKO	7	PT	Technical Services Portfolio Committee & Finance, Planning & Economic Services Portfolio Committee	Ward : ANC	100%	Nil
CLLR Z ZAKWE	8	PT	Planning, Economic Services Committee	Ward : IFP	100%	Nil
CLLR BD MADONSELA	10	PT	Municipal Public Accounts Committee (Chairperson)	Ward : ANC	100%	Nil
CLLR MR DLAMINI	11	PT	Community & Corporate Services Portfolio Committee	Ward : IFP	83.33%	16.67%

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CLLR MD KHANYILE	12	PT	Municipal Public Accounts Committee	Ward : ANC	91.66%	8.34%
CLLR MS ZONDI	13	PT	Community & Corporate Services Portfolio Committee, & Finance, Planning & Economic Services Portfolio Committee	Ward : ANC	100%	Nil
CLLR ZN NDOLVU	14	PT	Municipal Public Accounts Committee	Ward : ANC	100%	Nil
CLLR LT GWALA	10	PT	Community & Corporate Services Portfolio Committee (Chairperson)	PR : ANC: Exco Member	91.66%	8.34%
ALD R MAHARAJ	8	PT	Executive Committee Member	PR : IFP	66.66%	33.33%
ALD PMS NGUBANE	5	PT	Technical Services Portfolio Committee	PR : IFP	58.33%	41.67%
CLLR PT ZUMA	7	PT	Finance, Planning & Economic Services Portfolio	PR : ANC	100%	Nil
CLLR F MAYAT	9	PT	Community & Corporate Services Portfolio Committee	PR : ANC	100%	Nil

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CLLR NP DLAMINI	6	PT	Finance, Planning & Economic Services Portfolio	PR: IFP	75%	25%
CLLR GZ MALEMBE	3	PT	Local Labour Forum	PR : IFP	66.66%	33.34%
CLLR JM MWELI	13	PT	Municipal Public Accounts Committee	PR : IFP	83.33%	16.67%
CLLR SE LEMBETHE	14	PT	Finance, Planning & Economic Services Portfolio	PR : IFP	91.66%	8.34%
CLLR CN MKHIZE	1	PT	Technical Services Portfolio Committee	PR : IFP	83.33%	16.67%
CLLR RS MAHARAJ		PT	Municipal Public Accounts Committee	PR : DA	100%	Nil %
TA.1						

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Executive Committee	The principle Committee of Council that oversees other Committees and makes recommendations to Council, when it cannot dispose of matters in terms of its delegated powers.
Community & Corporate Services Portfolio Committee	<p>Oversight role over the following municipal business unit, Municipal Managers office, Mayoralty support, Corporate Governance, Public Relations and Marketing, Human Resources, Administration and Committees, Records, Council Support, Information Technology, Fleet Management and Public Participation.</p> <p>Oversight role over the following municipal business unit, Public Amenities, Parks and Gardens and Cleansing and Street sweeping, Cemeteries, Traffic Law enforcement and By-laws, Licensing of Motor Vehicles and Drivers, Disaster Management, Fire Fighting Services, and Security and VIP Protection.</p>
Technical Services Portfolio Committee	Oversight role over the following municipal business unit, Project Management, Electricity, Public Works and Maintenance, EPWP administration and the Workshop.
Finance, Planning & Economic Services Portfolio Committee	Oversight role over the following municipal business unit, Planning Development, Housing and Municipal Estates, Building Control, Performance Management System, Local Economic Development and Tourism, The Treasury Office, Supply Chain, Contract Management.
Local Labour forum	advise EXCO/Council on all Human Resources related issues
Audit Committee	external oversight on Municipal Finance and Performance

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Risk and Internal Audit Committee	oversight on all risks and internal audit procedures and findings
Housing Fourm	oversight and co-ordination on all Housing projects in the area of jurisdiction
11X Ward Committees	Support Ward Councillor, advise on ward needs and communicate the affairs of the Municipality to the Community
Governance & Intergovernmental Relations	this function is being dealt with at District level
MANCO	co-ordinate departmental operations and formulate Municipal Administrative strategies and views
Section 4 Committee meetings	approve/dis-approve applications received in terms of the gathering act

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APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	Municipal Manager - Mrs. TN Ngiba
Planning and Economic Services Department	Director : Ms. N.V Khumalo
Corporate Services Department	Acting Director : Mr. MF Maphanga
Finance Department	CFO: Mrs. CB Mkhize
Community Services Department	Acting Director: Mr. MR Khoza
Technical Services Department	Acting Director: Mr. N. Qwabe

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APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions	
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes

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Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes
* If municipality: indicate (yes or No); * If entity: Provide name of entity	

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
Ward 1 Mbulwane	Cllr. NJ Nzame MN Majosi, HZ Nzama, TD Gwala, TR Ngcobo, S Makhoba, L Mkhize, JS Khuzwayo, SZ Mnyandu, T Ngubane, NP Zulu	Yes	12	4	4
Ward 2 Matimatolo	Cllr ZC Ngema S Sithole, ML Lembethe, N Myeza, WF Ngcobo, M Ndlovu, TR Zondi, FG Mzila, T Xulu, TD Khumalo, LO Mdlalose	Yes	12	4	4
Ward 3 Ntembisweni	Cllr PS Hlophe Z Shange, JD Majosi, S Ndlovu, GP Skhakhane, MC Mbambo, BJF Skhakhane, T Mthembu, NS Ngubane, Z Majosi, MA Ngubane	Yes	12	4	4

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Ward 4 Eshane	Ald SV Zondi BN Ndlovu, AM Dladla, TV Ngubane, PE Mkhize, SQ Mngoma, NP Budeinhost, SE Mzila, CL Mveli, JGS Msani	Yes	12	4	4
Ward 5 Kranskop	Cllr MS Yengwa PB Hlophe, SV Zondi, N Mkhize, DP Mthembu, SE Ngcobo, T Zondi, NS Dladla, NH Sithole, S Mazibuko, MM Khathi	Yes	12	4	4
Ward 6 Makhabeleni	Cllr SS Xulu SL Khathini, LJ Dlomo, NT Dlomo, DA Ntuli, MO Mhlongo, L Nala, LZ Khoza, AM Dube, SH Xulu, ML Hlophe	Yes	12	4	4
Ward 7 Nhlalakahle	Cllr VB Njoko- Sibisi M Bhengu, NV Xaba, TL Mzila, BC Ngubane, MB Dlamini, ZM Sithole, LP Hlongwa, GG Xulu, NF Ngubane	Yes	12	4	4
Ward 8 Muden	Cllr Z Zakwe K Mchunu, S Sibisi, ZM Mncube, S Chonco, K Mkhize, M Mveli, S Mkhize, N Ndlovu, MJ Ndawonde, Z Ximba	Yes	12	4	4

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Ward 9 CBD	Cllr W Khoza TP Ngwenya, MBP Baxter, SB Langa, TA Mchunu, ZA Khumalo, PM Baxter, AK Aheer, LL Seme, Y Sayed	Yes	12	4	4
Ward 10 Seven Oaks	Cllr BD Madonsela LL Khumalo, DZ Khumalo, C Eke, TB Gwala, EM Zondi, TS Mkhize, Z Bhengu, SI Madonsela, BS Mkhize	Yes	12	4	4
Ward 11 Muden	Cllr MR Dlamini DE Myaka, SV Buthelezi, LG Mthalane, MXN Zakwe, DS Dladla, NH Zakwe, M Ximba, CC Dladla, TM Shezi, S Mkhize	Yes	12	4	4
Ward 12 Mabomvini	Cllr MD Khanyile TA Ngubane, NS Madlala, NN Ngubane, MM Khumalo, MG Ndlovu, NC Gwala, NX Mhlongo, Q Mkhize, V Ngubane, MC Ngubane	Yes	12	4	4
Ward 13 Mbuba	Cllr MS Zondi NZ Mchunu, S Ndlovu, X Mzolo, N Maseko, BE Ximba, Z Bhengu, S Mathonsi, QP Mthethwa, D Phungula, DE Mhlongo	Yes	12	4	4

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Ward 14 Engome	Cllr ZN Ndlovu S Zondi, SM Ngubane, S Makhaye, F Malinga, M Zondi, MJ Zondi, D Ntenjwa, N Kweyama, PS Zondi, N Mbeje	Yes	12	4	4
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